Phil Serna – District 1
Patrick Kennedy – District 2
Rich Desmond – District 3 (Vice Chair)
Sue Frost – District 4
Don Nottoli – District 5 (Chair)

SACRAMENTO COUNTY

AGENDA
BOARD OF SUPERVISORS
700 H STREET SUITE 1450
SACRAMENTO, CA 95814
(Members may participate via teleconference)

WEDNESDAY **FEBRUARY 9, 2022** **1:00 PM**

The Board meets simultaneously as the Board of Supervisors and as the governing board of all special districts having business heard this date.

VIRTUAL ACCESS:
Choose an option to participate and/or watch the meeting as follows:

- https://metro14live.saccounty.net/board.html
- https://saccounty-net.zoomgov.com/j/1606690463?pwd=eVJJcU5GQkwvYjhTMDEwQ0pYMEUzUT09
  Webinar ID: **160 669 0463**
  Passcode: **016350**
- Dial: (669) 254-5252; Webinar ID: **160 669 0463**
  Passcode: **016350**

PUBLIC COMMENT PROCEDURES

Members of the public are encouraged to participate in the Board meeting. In compliance with directives of the County, State, and Centers for Disease Control and Prevention (CDC), the meeting will be live stream and closed to in-person public attendance pursuant to guidelines related to social distancing and minimizing person-to-person contact.

Members of the public may address the Board regarding matters not on the posted agenda following the completion of regular business.

Speaker time limits
In the interest of facilitating the conduct of the County's business, members of the public (speakers) who wish to address the legislative body during the meeting will have specific time limits as enumerated below. Consent matters are acted upon as one unit, while Public Hearings and separate matters are acted upon individually.

Each speaker shall limit his/her remarks to the specified time allotment, as follows:

- Speakers will have 3-minutes total for a single and/or multiple consent item(s)
- Speakers will have 3-minutes total for each hearing item
- Speakers will have 3-minutes total for each separate item
- Speakers will have 3-minutes total for any matter not on the posted agenda

TELEPHONIC PUBLIC COMMENT

On the day of the meeting dial (916) 875-2500 to make a verbal public comment (follow the prompts for instructions). Refer to the agenda and listen to the live meeting to determine when is the best time to call to be placed in queue for a specific agenda item. Callers may be on hold for up to an extended period of time and should plan accordingly. When the Chairperson opens public comment for a specific agenda item or off-agenda matter, callers will be transferred from the queue into the meeting to make a verbal comment. Each agenda item queue will remain open until the public comment period is closed for that specific item.

WRITTEN COMMENT

- Send an email comment to BoardClerk@saccounty.net. Include meeting date and agenda item number or off-agenda item. Contact information is optional.
- Mail a comment to 700 H Street, Suite 2450, Sacramento, CA 95814. Include meeting date and agenda item number or off-agenda item. Contact information is optional.
- Written comments are distributed to members and filed in the record.

VIEW MEETING

The meeting is videotaped and cablecast live on Metrocable 14 on the Comcast, Consolidated Communications and AT&T U-Verse Systems. It is closed captioned for hearing impaired viewers and webcast live at http://metro14live.saccounty.gov. There will be a rebroadcast of this meeting on Friday at 6:00 p.m.

MEETING MATERIAL

The on-line version of the agenda and associated material is available at http://bospublicmeetings.saccounty.net. Some documents may not be posted on-line because of size or format (maps, site plans, renderings). Contact the Clerk's Office at (916) 874-5411 to obtain copies of documents.

ACCOMMODATIONS

If there is a need for an accommodation pursuant to Americans with Disabilities Act (ADA), medical reasons or for other needs, please contact the Clerk of the Board by telephone at (916) 874-5411 (voice) and CA Relay Services 711 (for the hearing impaired) or Boardclerk@saccounty.net prior to the meeting.

THE BOARD OF SUPERVISORS WILL HOLD A CLOSED SESSION STARTING AT 1:00 PM TO DISCUSS THE FOLLOWING:

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION
(Government Code Section 54956.9(d)(1))

Charles Iniguez v. County of Sacramento
(Sacramento Superior Court Case No. 34-2017-00222293)

County of Sacramento v. Everest National Ins. Co.
(United States District Court, Eastern District
Case No. 2:19-cv-00263-MCE-DB)

LABOR NEGOTIATOR
(Pursuant to Government Code Section 54957.6)

Agency Designated Representatives:
La Shelle Dozier, Executive Director
James Shields, Deputy Executive Director

Agency: Housing Authority of the County of Sacramento

Employee Organizations: American Federation of State, County and Municipal Employees (AFSCME)
Local 146 and the Sacramento Housing and Redevelopment Agency Employee Association (SHRAEA)

ROLL CALL

PLEDGE OF ALLEGIANCE

Section I - Timed Matters

****
TIMED MATTERS CANNOT BE ACTED UPON
BEFORE THE SCHEDULED TIME. TIME MATTERS WILL BE
HEARD AS CLOSE TO THE TIME SCHEDULED AS POSSIBLE.
****

TIMED MATTERS

1. 2:00 PM -- Resolution Approving The Infrastructure Financing Plan For The Metro Air Park Enhanced Infrastructure Financing District, Including The Division Of Taxes Set Forth Therein, And Certain Other Actions Relating Thereto (Budget and Debt Management)
Supervisorial District(s): Serna
Impact Area(s): Unincorporated County

2. 2:00 PM -- Update On Project Roomkey Sheltering Efforts; Approve An Appropriation Adjustment Request In The Amount Of $7,451,434 To Continue COVID-19 Response Efforts (AAR No. 2022-2032) (Human Assistance)
Supervisorial District(s): All
Impact Area(s): Countywide

SACRAMENTO COUNTY WATER AGENCY
(Directors: R. Desmond, S. Frost, P. Kennedy, D. Nottoli, P. Serna)

3. 2:30 PM -- Approve Revisions To The Beach Stone Lakes Flood Insurance And Flood Mitigation Programs (Water Resources)
Supervisorial District(s): Nottoli
Impact Area(s): Unincorporated County

<u>Section II - Separate Matters</u>

****
SEPARATE MATTERS WILL BE ACTED UPON
AS THE HEARING SCHEDULE PERMITS
****

BOARD OF SUPERVISORS

4. COUNTY EXECUTIVE COMMENTS

5. SUPERVISOR COMMENTS, REPORTS AND ANNOUNCEMENTS

COUNTY OF SACRAMENTO
CALIFORNIA

For the Agenda of:
February 9, 2022
2:00 PM

To: Board of Supervisors

Through: Ann Edwards, County Executive

From: Amanda Thomas, Chief Fiscal Officer
Office of Budget and Debt Management

Subject: Resolution Approving The Infrastructure Financing Plan For The Metro Air Park Enhanced Infrastructure Financing District, Including The Division Of Taxes Set Forth Therein, And Certain Other Actions Relating Thereto

District(s): Serna

RECOMMENDED ACTION

Approve the attached Resolution approving the Infrastructure Financing Plan for the Metro Air Park Enhanced Infrastructure Financing District, including the division of taxes set forth therein, and certain other actions relating thereto.

BACKGROUND

On April 20, 2021, the Board of Supervisors approved a resolution of intention to form the Metro Air Park Enhanced Infrastructure Financing District (MAP EIFD) and created the MAP EIFD Public Financing Authority (PFA).

The PFA met on October 6, 2021 and directed the County Engineer to prepare and distribute the Infrastructure Financing Plan (IFP).

County staff worked with Keyser Marston and Associates to develop the Draft IFP, which is attached and included as Exhibit A to the Resolution. The Draft IFP was presented to the PFA on October 21, 2021 and again on January 12, 2022 at the first public hearing of the PFA.

In accordance with Chapter 2.99 of Part 1 of Division 2 of Title 5 Section 53398.68 of the California Government Code, the Board of Supervisors is requested to approve the MAP EIFD IFP and to allow the Chief Fiscal Officer or her designee to approve any changes, if any, to the IFP after the date of this resolution. The IFP shall be in substantially in the form attached to the Resolution as Exhibit A.

FINANCIAL ANALYSIS

The Financial Impact on the General Fund of the County is that future property tax revenue and in lieu vehicle license fee (VLF) revenue from property within the MAP EIFD boundaries (up to fifty percent annually) will be used to finance the activities of the MAP EIFD in accordance with the IFP. The Base Year for the calculation of the Incremental Revenues will be Fiscal Year 2021-22. The district will be limited to no more than 36 fiscal years or the date at which the cumulative property tax and VLF revenue directed to the EIFD is $200 million.

The Fiscal Impact Analysis completed within the Draft IFP takes into consideration both the additional costs to the County and the additional benefits to the County. The increased costs to the General Fund and road funds are estimated to be $3.30 million per year at 50 percent completion of the EIFD and $7.07 million at build out. The increased revenue at 50 percent completion of the MAP EIFD is estimated to be $3.17 million, and $13.12 million at build out. The combined projected result is that at 50 percent completion, the MAP EIFD is estimated to produce a deficit of $128,000 and will provide a net benefit of $6.05 million at build out. One caveat to this is that the costs associated with roadway expenses may be partially offset by Community Facilities District Services Tax revenue, pending additional analysis from County Staff.

There are no current Fiscal Year impacts to the General Fund.

Attachment(s):
RES – Resolution
ATT 1 Exhibit A to the Resolution- MAP EIFD IFP

RESOLUTION NO.

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO APPROVING THE INFRASTRUCTURE FINANCING PLAN FOR THE METRO AIR PARK ENHANCED INFRASTRUCTURE FINANCING DISTRICT, INCLUDING THE DIVISION OF TAXES SET FORTH THEREIN, AND CERTAIN OTHER ACTIONS RELATING THERETO

WHEREAS, pursuant to Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with section 53398.50) (the "EIFD Law"), the Board of Supervisors (the "Board of Supervisors") of the County of Sacramento (the "County") is authorized to initiate the process to establish an enhanced infrastructure financing district and approve an infrastructure financing plan allocating tax revenues to such enhanced infrastructure financing district; and

WHEREAS, pursuant to such authority, on April 20, 2021, the Board of Supervisors adopted Resolution No. 2021-0211, as amended by Resolution No. 2021-0523 adopted August 24, 2021 and Resolution No. 2021-0642, adopted October 19, 2021, (collectively, the "Resolution of Intention"), pursuant to which the Board of Supervisors, among other things, (i) declared its intention to establish the "Metro Air Park Enhanced Infrastructure Financing District" (the "EIFD") having the proposed boundaries and financing the type of public facilities and development set forth therein, (ii) approved the establishment of the "Metro Air Park Enhanced Infrastructure Financing District Public Financing Authority" (the "Authority"), as the governing board of the EIFD, to be responsible for directing the preparation and implementation of the infrastructure financing plan for the EIFD (the "Infrastructure Financing Plan"), and (iii) declared that, pursuant to the EIFD Law and if approved by further resolution of the Board of Supervisors adopted pursuant to section 53398.68 of the EIFD Law, incremental property tax revenue, including property tax revenue in lieu of vehicle license fee revenue, from the County within the boundary of the EIFD would be used to finance the activities of the EIFD; and

WHEREAS, on October 6, 2021, the Authority directed the County Engineer to prepare and distribute the Infrastructure Financing Plan and other required documents as required by the EIFD Law; and

WHEREAS, the draft Infrastructure Financing Plan, which is included as Exhibit A to this Resolution and which is on file with the Clerk of the Board of Supervisors, has been presented to the Board of Supervisors for its review and approval; and

WHEREAS, in accordance with section 53398.68 of the EIFD Law, the Board of Supervisors desires to approve the Infrastructure Financing Plan pursuant to which incremental property tax revenue from the County within the boundary of the EIFD will be used to finance the activities of the EIFD, subject to, and in accordance with, the terms and conditions of the Infrastructure Financing Plan;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO, AS FOLLOWS:

Section 1. The above recitals are true and correct, and the Board of Supervisors so finds and determines.

Section 2. The Board of Supervisors hereby approves the Infrastructure Financing Plan in substantially the form attached hereto as Exhibit A. The Chief Fiscal Officer of the County or her designee is hereby authorized and directed, for and in the name and on behalf of the Board of Supervisors, to approve changes, if any, to the Infrastructure Financing Plan after the date of this Resolution, such approval to be conclusively evidenced by the execution and delivery by any such officer of a certificate evidencing approval of the same; provided that the final Infrastructure Financing Plan shall be substantially in the form attached hereto as Exhibit A. Pursuant to the Infrastructure Financing Plan, incremental property tax revenue, including property tax revenue in lieu of vehicle license fee revenue, from the County within the boundary of the EIFD will be used to finance the activities of the EIFD, subject to, and in accordance with, the terms and conditions of the Infrastructure Financing Plan.

Section 3. The officers of the County are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or desirable in order to implement the provisions of this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution; and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

ON A MOTION by Supervisor __________, seconded by Supervisor __________, the foregoing resolution was passed and adopted by the Board of

Supervisors of the County of Sacramento, State of California, this ___ day of ________, 2022, by the following vote, to wit:

AYES: Supervisors

NOES: Supervisors

ABSENT: Supervisors

ABSTAIN: Supervisors

RECUSAL: Supervisors
(PER POLITICAL REFORM ACT (§ 18702.5.)

____
Chair of the Board of Supervisors

(SEAL)

ATTEST: ____________________
Clerk of the Board of Supervisors

RESOLUTION EXHIBIT A

KEYSER MARSTON ASSOCIATES

Draft
County of Sacramento
Infrastructure Financing Plan
Metro Air Park Enhanced Infrastructure Financing District (MAP EIFD)

Prepared for:
County of Sacramento and
Public Financing Authority of the County of Sacramento
Metro Air Park Enhanced Infrastructure Financing District

Prepared by:
Keyser Marston Associates, Inc.
December 6, 2021

Table of Contents

List of Tables

I. INTRODUCTION

This Infrastructure Financing Plan (IFP) has been prepared by Keyser Marston Associates Inc. (KMA) for the Public Financing Authority of the County of Sacramento Metro Air Park Enhanced Infrastructure Financing District (PFA) to support the potential formation of the County of Sacramento Metro Air Park Enhanced Infrastructure Financing District (MAP EIFD). The County's primary goals for the MAP EIFD are to facilitate economic growth throughout the region and to support the growth of economic activity at the Sacramento International Airport by providing funding for a portion of the public facilities that will enable Metro Air Park to fully develop and continue to attract new regional-serving businesses.

The IFP has been prepared in accordance with the requirements of California Government Code sections 53398.50–53398.88 (EIFD Law), which enables counties and cities in the State of California (State) to form enhanced infrastructure financing districts (EIFDs) as a mechanism to use tax increment financing to fund certain public and private improvements of community wide significance that provide significant benefits to the EIFD or the surrounding community. Formation of an EIFD is initiated by a resolution of the legislative body of the city and/or county setting forth its intention to dedicate all or a portion of its incremental property tax revenue within a designated area to the EIFD. On April 20, 2021, the Board of Supervisors of the County of Sacramento (County) adopted a resolution of intention to form the MAP EIFD and formed the PFA to govern the MAP EIFD[1]. The PFA directed staff to prepare this IFP on October 6, 2021.

Overview of the Infrastructure Financing Plan

As required by EIFD Law, this IFP contains the following information:

(a) A map and legal description of the proposed MAP EIFD boundaries, which are presented in Attachment A.

(b) A description of the public facilities and other forms of development or financial assistance proposed in the area of the district, including those to be provided by the private sector, those to be provided by governmental entities without assistance from the MAP EIFD, those to be financed with assistance from the proposed MAP EIFD, and those to be provided jointly by a governmental entity and the private sector. The public facilities that may be partially or entirely funded by the MAP EIFD are presented in Attachment B and described in Section III of this IFP. As of the date of this IFP, a determination has not been made as to which specific facilities will be funded solely by governmental entities without MAP EIFD assistance; by the public sector with assistance from the MAP EIFD; solely by the private sector, or jointly by the private sector and governmental entities with EIFD assistance. The objective of the County and PFA is to tailor the financing structure of each improvement to best meet the needs of Metro Air

[1] The resolution was amended on August 24, 2021 and October 19, 2021.

Park. Therefore, the financing plan is intentionally flexible and does not prescribe a specific structure for eligible improvements.

(c) A finding that the development and financial assistance are of communitywide significance and provide significant benefits to an area larger than the area of the MAP EIFD. The County and the PFA find that development within Metro Air Park and the public facilities that enable development of Metro Air Park are of community wide significance and provide benefits to an area larger than the MAP EIFD. This information is presented in Section III.

(d) A financing section, containing all of the following:

1. A specification of the maximum portion of the incremental tax revenue of each affected taxing entity proposed to be committed to the MAP EIFD each year during which the MAP EIFD will receive incremental property tax revenue. No taxing entity other than the County will allocate tax increment revenues to the MAP EIFD. ***The maximum portion of the County's portion of property tax increment and incremental property tax revenues in lieu of vehicle license fees (PTILVLF) revenue generated from within the MAP EIFD that will be allocated to the MAP EIFD will be fifty percent (50%).*** The EIFD funding obligations are described in Section IV.

2. A projection of the amount of tax revenues expected to be received by the MAP EIFD in each year during which the MAP EIFD will receive tax revenues, including an estimate of the amount of tax revenues attributable to each affected taxing entity for each year. An annual projection of the amount of the County's property tax increment and PTILVLF revenue to be allocated to the MAP EIFD is contained in Section IV of this IFP. ***Cumulative property tax and PTILVLF revenue for the duration of the MAP EIFD is projected to total $200 million.*** The inputs and assumptions used in this IFP are based on information available as of the date of this IFP regarding projects that are currently under construction and anticipated future developments within the MAP EIFD boundaries. These projections are considered reasonable for planning purposes, but actual results may differ from the estimates presented in this IFP.

3. A plan for financing facilities to be assisted by the MAP EIFD, including a detailed description of any intention to incur debt. The financing plan is presented in Section IV. While the PFA is not precluded from issuing bonds whose repayment would be secured by MAP EIFD revenues, the PFA does not anticipate issuing bonds. The current plan is to use MAP EIFD revenues for: a) purchasing public improvements constructed by the private sector and fund government-constructed improvements on a "pay-as-you-go" basis; and b) paying debt service on community facility district (CFD) bonds or other debt or obligations issued or incurred to finance public

improvements that are eligible to be financed by the MAP EIFD. ***The County's and PFA's objective is to have a flexible spending plan for the MAP EIFD revenues that can adapt to changing market conditions and needs over time to ensure that EIFD revenues will be used to generate the maximum benefit to the community.***

4. A limit on the total number of dollars of property tax increment revenue and incremental property tax in-lieu of vehicle license fee (PTILVLF) revenues that may be allocated to the MAP EIFD pursuant to this IFP. ***The maximum number of dollars of property tax and PTILVLF revenue that may be allocated to the MAP EIFD is limited to $200.0 million,*** which is detailed in Section IV.

5. A date on which the MAP EIFD will cease to exist, by which time all tax revenue allocation to the MAP EIFD will end. Pursuant to Government Code section 53398.63(d)(5), the maximum permitted duration of an EIFD is 45 years from the date on which the issuance of bonds is approved pursuant to Government Code section 53398.77, or 45 years from the date on which a loan to the MAP EIFD is approved by an affected taxing entity pursuant to Government Code section 53398.87. The County and PFA have elected to limit the term of the MAP EIFD to no more than 36 fiscal years. Accordingly, ***the proposed MAP EIFD will cease to exist on either: a) June 30, 2058; or b) the date on which cumulative property tax increment and PTILVLF revenues deposited into the MAP EIFD totals $200.0 million; whichever occurs first.*** The financial projections assume that the MAP EIFD will be formed in Fiscal Year (FY) 2021/22 and will begin receiving tax revenues in FY 2022/23.

6. An analysis of the costs to the County of providing facilities and services to the area of the MAP EIFD during the time the area is being developed and after the area has been developed. ***Section IV and Attachment D to this IFP provide a projection of service costs during the time the MAP EIFD area is being developed and after it has been developed.*** Upon completion of approximately 50% of the new development slated for Metro Air Park, annual service costs to the County's General and Road Funds are anticipated to approximate $3.30 million per year (2021 dollars). Upon buildout, it is estimated that MAP will generate approximately $7.07 million (2021 dollars) of additional on-going annual service costs to the County's General and Road Funds.

7. An analysis of the projected fiscal impacts of the MAP EIFD and the associated development on each affected taxing entity. No taxing entity other than the County of Sacramento will allocate tax increment revenues to the MAP EIFD. Given that all other taxing entities will not be impacted by the formation of the MAP EIFD, this IFP includes an analysis of the fiscal impact of the MAP EIFD to the County of Sacramento. ***The fiscal impact analysis is provided as Attachment D of this IFP.***

It is projected that upon completion of 50% of Metro Air Park, development within Metro Air Park will generate a relatively small annual net fiscal deficit of approximately $128,000 (2021 dollars). Upon full buildout of all anticipated planned development in the MAP EIFD, new development is projected to generate a $6.0 million (2021 dollars) annual surplus to the County General and Road Funds. The projected fiscal impacts reflect the 50/50 allocation of property tax and PTILVLF increment generated by properties to the MAP EIFD and the County General Fund and Road Fund.

8. A plan for financing any potential costs that may be incurred by reimbursing a developer of a Transit Priority Project Program that is located entirely within the boundaries of the MAP EIFD. ***The PFA does not contemplate reimbursing a developer for a project that is both located entirely within the boundaries of the MAP EIFD and qualifies for the Transit Priority Project Program, pursuant to Section 65470 of the California Government Code. Therefore, this IFP does not include a plan for financing costs that would be incurred through such a reimbursement arrangement.***

9. A plan for replacing dwelling units that have been occupied within the last five (5) years and are proposed to be removed in the course of public works construction in the MAP EIFD, or private development in the MAP EIFD that is subject to a written agreement with the MAP EIFD or that receives financial assistance from the MAP EIFD. ***There are no dwelling units within the boundaries of the MAP EIFD that have been occupied within the last five years that will be removed due to any project or development identified in this IFP. Therefore, a housing replacement plan is not included in this IFP.***

10. The goals the MAP EIFD proposes to achieve for each project to be financed by the MAP EIFD. ***The goals proposed to be achieved for each project to be financed by the MAP EIFD are addressed in Section III of this IFP.***

II. DESCRIPTION OF METRO AIR PARK

Metro Air Park is a high-quality, multi-use, commercial and industrial business park that is being developed on approximately 1,788 acres immediately east of and adjacent to the Sacramento International Airport. A boundary map and legal description of the MAP EIFD are provided as Attachment A. The boundaries of the MAP EIFD are generally coterminous with the boundaries of the Metro Air Park Special Planning Area (SPA). Table 1 of Attachment C provides a list of the parcels that comprise the MAP EIFD.

A. Anticipated New Development

Land uses planned for Metro Air Park include industrial uses comprised of light manufacturing, distribution, airport manufacturing and distribution, high-tech and R&D, corporate and professional office, support retail and services, hotel, an 18-hole golf course, and ancillary structures and other open space areas.

As presented in Table 1, it is anticipated that Metro Air Park will contain 20 million square feet of gross building area upon buildout. Industrial uses are anticipated to account for over 75% of Metro Air Park's total building area.

Table 1. MAP Land Use Plan

	Phase 1	Phase 2	Phase 3	All Phases
Gross Bldg. Area (million square feet)				
Industrial	12.2	0.8	3.6	16.5
Office	0.1	0.0	0.7	0.8
Hotel	0.5	0.0	0.0	0.5
Retail	2.2	0.0	0.0	2.2
Recreation	0.0	0.0	0.0	0.0
Total	**15.0**	**0.8**	**4.3**	**20.1**
Net Acres				
Industrial	873	56	152	1,081
Office	6	0	51	56
Hotel	30	0	0	30
Retail	132	0	0	132
Recreation	0	0	5	5
Total	**1,040**	**56**	**208**	**1,304**

Exhibit 1 is a conceptual map that shows the anticipated location of new development within Metro Air Park.

Exhibit 1. Metro Air Park Conceptual Map

Investment in Metro Air Park began in 1998 with the issuance of $5.3 million of CFD bonds to fund the cost of the design engineering of the facilities included in the Master Plan and other planning, design, and contingency costs. Two other series of CFD bonds have been issued, one in 2004 with gross proceeds of $63.5 million and another in 2007 with gross proceeds of $40.2 million.

The investments along with a reduction in the levels of development impact fees have catalyzed significant new development within Metro Air Park, starting with the completion of the 900,000 square foot Amazon Distribution facility in 2018. An additional 3.0 million square feet of distribution space has been completed in 2021, including the 1.1 million square foot Walmart distribution center, the 1.3 million square foot NorthPoint warehouse, and the 600,000 square foot SC Johnson distribution project. By the end of 2022, it is anticipated that a total of 6.2 million square feet of new distribution and warehouse space will be fully operating at Metro Air Park.

Given its location, availability of large parcels, and proximity to major Freeways (I-5 and SR 99) and Sacramento International Airport, Metro Air Park is uniquely well positioned to continue to capture a large share of the region's light manufacturing, distribution, and airport-related development. However, $295 million (2021 dollars) of new infrastructure and public facilities are needed for Metro Air Park to continue to be successful. The formation of the MAP EIFD will enable new investment to continue at the pace needed to maintain the momentum of MAP's pace of development. As shown in Table 2, over 10 million square feet of development is anticipated to be complete by the end of 2026, which will represent over 50% of the total amount of development anticipated at MAP upon build-out. MAP is anticipated to reach buildout of 20 million square feet of development by 2046.

Table 2. Anticipated MAP Cumulative Absorption Schedule

Fiscal Year	2026		2036		2046	
GBA by Land Use Category						
Distribution/Light Manufacturing	9,765,824		14,172,507		16,540,084	
R&D/Office	95,000		245,000		800,364	
Retail	250,000		1,250,000		2,237,583	
		Rooms		*rooms*		*rooms*
Hotel	102,000	*150*	306,000	*450*	509,700	*750*
Total Square Footage	**10,212,824**		**15,973,507**		**20,087,731**	

B. Anticipated Growth of Assessed Property Values

As summarized in Table 3 and detailed in Table 1 of Attachment C, the equalized assessed value of properties within the MAP EIFD for Fiscal Year 2021/22 is $727,871,664. This is comprised of a secured land and improvement value of $547.3 million and an unsecured value of $180.6 million.

Table 3. Equalized Assessed Value, MAP EIFD

FY 2021/22	Secured Assessed Value	Unsecured Assessed Value	Total Assessed Value
Land	$179,773,526		
Improvements	$367,487,498		
Subtotal	$547,261,024	$180,610,640	$727,871,664

In accordance with EIFD Law, incremental property tax revenues that will be available to the MAP EIFD will be driven based on the increase in the assessed value of MAP properties, starting in FY 2022/23, relative to the “base year” value of $727,871,664. Growth in assessed values is driven by the following factors: a) the reassessment of property upon sale; b) the added value of new or rehabbed improvements; and c) annual permitted increases on properties that are not impacted by either a sale or new improvements. Metro Air Park has been growing rapidly, as evidenced by the fact that the assessed value of improvements in the MAP EIFD more than tripled over the past year, from $99.0 million in FY 2020/21 to the current value of $367.5 million. The additional value reflects the completion of over 2 million square feet of space in 2020.

It is anticipated that the assessed value of properties in the MAP EIFD will continue to rapidly increase as new projects that are under construction are completed, and new public infrastructure improvements are undertaken, which will support additional new private development to house industrial, R&D, and retail businesses and new hotels. As detailed in Attachment C, it is estimated the MAP EIFD’s assessed value will approximate $1.84 billion in FY 2027/28 when the MAP is expected to achieve approximately 50% of buildout and $5.60 billion upon full build-out in FY 2047/48.

III. DESCRIPTION OF PUBLIC FACILITIES ELIGIBLE FOR FUNDING BY THE METRO AIR PARK EIFD

Formation of the MAP EIFD is being considered to finance a portion of the remaining public capital facilities that are needed to realize Metro Air Park's full buildout. Facilities authorized to be financed by the MAP EIFD are identified in Attachment B, including the proposed location, timing, and the estimated cost of the eligible improvements. The improvements are designed and planned to facilitate the County's and PFA's overall goals of providing communitywide significance and benefit to the area of the proposed Metro Air Park EIFD, and the surrounding community.

The public facilities include freeway, major arterial roadways, light rail, fire station, storm drainage, sewer, park and recreation, and water improvements. All proposed improvements have an estimated useful life of 15-years or longer. All improvements listed in Attachment B are at least partially located within the boundaries of the MAP EIFD except for the water treatment facility on Power Line Road and certain roadway and freeway improvements[2]. While these facilities are not located within the boundaries of the MAP EIFD, they have a tangible connection to the MAP EIFD because they will provide direct service to the properties within the MAP EIFD in accordance with the requirements of the EIFD Law. This is supported by numerous documents including the MAP Public Facilities Financing Plan and Master Plan, and various technical studies and traffic studies.

The estimated cost to design and construct the MAP EIFD-eligible facilities is approximately $295 million (in 2021 dollars). As shown in Table 4, transportation improvements comprise approximately 69% of needed public facilities and represent the single largest component of the public facilities that are eligible to be funded by the MAP EIFD.

Table 4. Cost of Public Facilities Eligible for EIFD Funding

Type of Public Facility	Sector Responsible for Delivery of Facility		Total	% of Total Cost
	Private	*Public*		
Transportation	$109,240,817	$94,522,597	$203,763,414	69%
Drainage/Storm Drainage	$34,420,956	$0	$34,420,956	12%
Water	$4,153,804	$15,000,000	$19,153,804	6%
Sewer	$415,632	$0	$415,632	0%
Fire Station	$0	$7,290,459	$7,290,459	2%
Parks and Recreation*	$0	$30,000,000	$30,000,000	10%
MAP 3rd Reimbursement for Advanced Funding	$426,031	$0	$426,031	0%
Total Facilities	$148,657,240	$146,813,056	$295,470,296	100%
	50%	50%	100%	

*Park and recreation improvements may be funded with a combination of public and private funds

[2] The fire station is contemplated to be located within the boundaries of the MAP EIFD but could ultimately be located outside of the MAP EIFD.

As shown in Attachment B, the estimated timing for completion ranges from 2021 to 2035, with the majority of public facilities to be constructed during the current decade. The improvements that are not built during this decade are slated for completion during the 2030s.

In addition to the direct costs of the facilities identified in Attachment B, other incidental expenses to the extent authorized by EIFD Law may be funded with MAP EIFD revenues. These “other expenses” include, but are not limited to: the cost of engineering, planning, and surveying; construction staking; plan check and inspections; utility relocation and demolition costs incidental to the construction of the facilities; costs of Project / construction management; financing costs of improvements incurred by developers until reimbursement from the MAP EIFD; costs of issuance of bonds or other debt of the MAP EIFD, of a community facilities district of the County, or of any other public agency for authorized facilities and payment of debt service thereon; costs incurred by the County of Sacramento or the MAP EIFD in connection with the division of taxes pursuant to Government Code section 53398.75; costs otherwise incurred in order to carry out the authorized purposes of the MAP EIFD; administrative expenses, and any other expenses incidental to the MAP EIFD and to the financing, construction, completion, inspection, and acquisition of the authorized facilities.

A. Anticipated Delivery of Improvements in Metro Air Park

It is anticipated that public facilities built to serve Metro Air Park will be financed by multiple funding sources and/or mechanisms. These funding sources may include the private sector, development impact fees, CFD bond proceeds, MAP EIFD revenues, governmental or private grants and loans, and/or other funding sources. As of the date of this IFP, a determination has not been made as to which specific facilities will be funded solely by governmental entities without MAP EIFD assistance; by the public sector with assistance from the MAP EIFD; solely by the private sector, or jointly by the private sector and governmental entities with EIFD assistance. The objective of the County and PFA is to tailor the financing structure of each improvement to best meet the needs of Metro Air Park. Therefore, the financing plan is intentionally flexible and does not prescribe a specific structure for eligible improvements.

- *Privately Owned Development to be Constructed and Funded Solely by the Private Sector*

  It is anticipated that the private sector acting alone will construct and fund all privately-owned improvements within Metro Air Park.

- *Publicly Owned Improvements to be Constructed and Funded Solely by the Private Sector*

  Certain roadway improvements, and all frontage improvements (i.e.: landscaping, sidewalks, and gutters) are anticipated to be funded by the private sector and publicly owned.

- *Publicly Owned Facilities to be Constructed by the Private Sector and Jointly Funded by the Private Sector and the Public Sector and Assisted by MAP EIFD Revenues*

It is anticipated that the private sector will advance funds and will receive payment for and/or reimbursement from public impact fees, CFD proceeds, and/or MAP EIFD revenues for public facilities.

- *Publicly Owned Facilities to be Constructed by the Public Sector and not Funded by MAP EIFD Revenues*

  It is anticipated that a portion of the public facilities will be constructed and funded by public agencies with public funds other than MAP EIFD revenues. While the use of MAP EIFD funds is not anticipated for these improvements, MAP EIFD funds may be used if the PFA elects to do so.

- *Publicly Owned Facilities to be Constructed by the Public Sector and Funded Solely by Governmental Agencies and Partially Funded by MAP EIFD Revenues*

  It is anticipated that public facilities will be constructed and funded by public agencies with public funds, including MAP EIFD revenues.

B. Communitywide Benefits of Facilities Funded by the MAP EIFD

The County expects the development of Metro Air Park, including the public facilities potentially financed through the MAP EIFD, to generate significant communitywide benefits, as required by EIFD Law. County investment in public facilities that are eligible for MAP EIFD funding is anticipated to leverage private investment that will generate approximately $5.0 billion (nominal dollars) of new assessed property value within the boundaries of the MAP EIFD. Upon build-out, Metro Air Park properties will annually generate a net surplus of approximately $6.0 million (2021 dollars) to the County General and Road Funds. This surplus will be used to enhance services to residents and businesses throughout Sacramento County.

The new development supported by the MAP EIFD improvements will directly create over 29,000 new full-time jobs for residents throughout the Sacramento region. These new jobs will generate significant new disposable income that will support existing and new businesses. With respect to the specific improvements, the MAP EIFD will assist in funding extensive improvements to major arterials, which will improve the regional transportation system. The freeway improvements will provide enhanced and alternative access to the Sacramento International Airport for land within the MAP EIFD and the Sacramento Community at large. The new fire station will serve the surrounding area, including future development within the City of Sacramento. Assistance for a planned stop in the proposed light rail line will provide regional connectivity to the airport and expand the transportation network for the workforce. The MAP EIFD will also contribute to economic expansion in the County by the indirect and induced impacts of the regional distribution facilities that have and will continue to locate at Metro Air Park. It is estimated that upon build-out, the facilities will support the generation of $6.6 billion of economic output within the County.

C. Communitywide Significance of MAP EIFD

By adopting this IFP, the PFA finds and declares that the facilities to receive financial assistance from the MAP EIFD are of communitywide significance and provide significant benefits to an area larger than the area of the MAP EIFD, as described above.

Upon buildout, the businesses at Metro Air Park are anticipated to generate direct, indirect, and induced impacts that will generate a tremendous impact on Sacramento County's economy. Recurring annual Countywide benefits will include approximately: $6.6 billion of economic output, 47,300 jobs, and $3.0 billion of employment income.

D. Goals To be Achieved by the MAP EIFD

The County's and PFA's primary goals for the MAP EIFD are to:

1. Provide additional funding for public facilities that are needed for Metro Air Park's continued expansion. Metro Air Park is a regional economic engine and the MAP EIFD funding will enable Metro Air Park to continue its success in attracting premier, regional-serving distribution facilities as well as local and regional serving industrial, commercial, hotel, office, and research and retail development that will expand the region's economy and employment opportunities
2. Enhance the access to the Sacramento International Airport, which will attract new air cargo operators and other airport related businesses.
3. Support the development of facilities that will house airport-related businesses, which will enhance the airport's impact on the regional economy
4. Provide for projects, such as the needed fire station and park facilities, that would be challenging to fund solely with impact fees and CFD pay-go resources
5. Accelerate the timing of the construction of new public facilities that are needed to support new development, which will accelerate the rate of construction and absorption of new private development and enable the Metro Air Park to solidify its identity as the premier logistics center in the region
6. Minimize the impacts of inflation on project costs by enabling projects to be completed in the near term.

E. Consistency of MAP EIFD with the County's General Plan

By adopting this IFP, the PFA finds and declares that this IFP is consistent with the General Plan of the County of Sacramento, as required by EIFD Law.

IV. FINANCING SECTION

This section describes the financing plan for the MAP EIFD-eligible facilities and the anticipated fiscal impacts that the development of Metro Air Park will generate to the County of Sacramento. The following are addressed:

- A description of the allocation of revenues to the MAP EIFD.
- A specification of the maximum portion of incremental tax increment generated by Metro Air Park properties to the County that is proposed to be committed to the MAP EIFD.
- A projection of the amount of tax revenues expected to be received by the MAP EIFD each year of its existence.
- A plan for financing the facilities to be assisted by the MAP EIFD.
- A limit on the total dollars that may be allocated to the MAP EIFD.
- A date on which the MAP EIFD will cease to exist.
- An analysis of the costs to the County to provide facilities and services to the area of the MAP EIFD and the projected fiscal impact of the MAP EIFD.

A. Allocation of Revenues to the MAP EIFD

Revenues shall be allocated to the MAP EIFD in accordance with section 53398.75 of the California government code. More specifically, that portion of the property taxes levied on taxable property within the boundary of the MAP EIFD after the effective date of the resolution adopted to establish the MAP EIFD shall be allocated as follows:

1. That portion of the taxes that would be produced by the rate upon which the tax is levied each year by or for each of the affected taxing entities upon the total sum of the assessed value of the taxable property in the MAP EIFD as shown upon the assessment roll used in connection with the taxation of the property by the affected taxing entity, last equalized prior to the effective date of the resolution adopted pursuant to Section 53398.69 to create the MAP EIFD, shall be allocated to, and when collected shall be paid to, the respective affected taxing entities as taxes by or for the affected taxing entities on all other property are paid.

2. That portion of the levied taxes each year specified in the adopted infrastructure financing plan to be allocated to the County (as the only taxing entity that has agreed to participate in the MAP EIFD) pursuant to Section 53398.68 in excess of the amount specified in paragraph (1) shall be allocated to, and when collected shall be paid into a

special fund of, the district for all lawful purposes of the MAP EIFD. Unless and until the total assessed valuation of the taxable property in the MAP EIFD exceeds the total assessed value of the taxable property in the MAP EIFD as shown by the last equalized assessment roll referred to in paragraph (1), all taxes levied and collected upon the taxable property in the MAP EIFD shall be paid to the respective affected taxing entities. When the MAP EIFD ceases to exist pursuant to the adopted infrastructure financing plan, all moneys thereafter received from taxes upon the taxable property in the MAP EIFD shall be paid to the respective affected taxing entities as taxes on all other property are paid.

3. In addition, that portion of any ad valorem property tax revenue annually allocated to the County pursuant to Section 97.70 of the Revenue and Taxation Code that is specified in the adopted infrastructure financing plan and that corresponds to the increase in the assessed valuation of taxable property shall be allocated to, and, when collected, shall be apportioned to, a special fund of the district for all lawful purposes of the district. When the MAP EIFD ceases to exist pursuant to this IFP, the revenues described in this subdivision shall be allocated to, and, when collected, shall be apportioned to, the County.

B. Maximum Portion of Incremental Tax Revenue Committed to MAP EIFD

If the MAP EIFD is formed, the County will allocate incremental property tax revenues and incremental PTILVLF revenues that are directly generated from the growth of assessed property values of properties within the boundaries of the MAP EIFD to the MAP EIFD and no other sources of revenues. The MAP EIFD does not impose any new tax on property owners.

The maximum portion of incremental property tax revenues and incremental PTILVLF revenues that the County will allocate to the MAP EIFD for any fiscal year is fifty percent (50%) of the County's share of annual incremental property tax revenues and PTILVLF attributable to MAP EIFD properties for that fiscal year.

C. MAP EIFD Tax Revenue Projections

Tax revenues available to the Metro Air Park EIFD will be based on the County's share of property tax revenue and PTILVLF revenue attributable to the growth in taxable assessed value in the MAP EIFD beginning in FY 2022/23. Property tax revenue is collected by the County Tax Collector through a 1.0 percent (1%) general tax levy on the taxable assessed value of all real property. The 1.0 percent property tax levy is collected and distributed to agencies that provide services to the properties within the given tax rate area, including Sacramento County (County), school districts, and special districts in accordance with applicable California Law. Sacramento

County currently receives 23.14% of the 1% base property tax levy, net of ERAF distributions, for properties within the MAP EIFD.

The County also receives PTILVLF revenue, which originated from the 2004 State of California Budget Act, which permanently reduced the Vehicle License Fee (VLF) from two percent (2%) to 0.65 percent. In exchange for this reduction, the State swapped the VLF reduction with property tax. The incremental PTILVLF is calculated based on the incremental increase in assessed value within a jurisdiction as compared to the base year revenue a jurisdiction would have received in FY 2004/05. Sacramento County receives $1.057 of PTILVLF revenue for every $1,000 increase in assessed value.

Table 5 summarizes the Metro Air Park EIFD revenue projections by year. The projections are based on the best information available regarding the amount, timing, and value of future development in the MAP EIFD. However, given inherent uncertainties associated with the real estate market, the actual revenues may be different than the projections contained in this IFP. As shown, the County's share of property tax increment generated by the MAP EIFD properties is anticipated to total $449,000 during the MAP EIFD's first year, which will be FY 2022/23. The properties within the MAP EIFD are also anticipated to generate $205,000 of new PTILVLF revenue. The sum of these two revenues in FY 2022/23 approximates $654,000. Fifty percent (50%) of the incremental revenue, or approximately $327,000, will be allocated to the MAP EIFD for the purpose of funding eligible public facilities to serve MAP. The remaining $327,000 will be deposited into the County's General Fund to fund on-going service costs. Tax increment and PTILVLF revenues generated by MAP will increase annually as development proceeds and the assessed value of MAP properties increase. By year 10, it is estimated that the MAP EIFD will receive $3.2 million of revenue and by year 20, it is estimated that the MAP EIFD will receive $6.5 million of revenue.

Over the anticipated 36-year life of the MAP EIFD, cumulative revenues to the MAP EIFD are anticipated to total $200.0 million in nominal dollars, or $101.6 million in uninflated 2021 dollars.

Annual Increment received by the EIFD may be subject to adjustments for delinquencies. Because delinquencies may be temporal in nature, until remediated, the financial modeling in this IFP does not include delinquency estimates. If applicable, the precise nature of how recovered delinquencies may be handled will be subject to an agreement between the County and the MAP EIFD.

Table 5. Projected Incremental MAP Assessed Value and Revenues to be Allocated to the MAP EIFD

EIFD Year	Fiscal Year	Incremental Assessed Value	Property Tax Increment	County's Share of Tax Increment	County VLF Revenues	County TI and Inc. PTILVLF	Allocation to MAP EIFD	Allocation to MAP EIFD (2021 dollars)
			1.00%	23.14%	$1.06 /$1000 Inc. AV		50%	3%
Base Yr	2021/22	$0	$0	$0	$0	$0	$0	
1	2022/23	$194,048,804	$1,940,488	$449,005	$205,110	$654,114	$327,057	$317,531
2	2023/24	$414,190,826	$4,141,908	$958,386	$437,800	$1,396,186	$698,093	$658,020
3	2024/25	$558,252,915	$5,582,529	$1,291,728	$590,073	$1,881,801	$940,901	$861,057
4	2025/26	$720,932,091	$7,209,321	$1,668,147	$762,025	$2,430,173	$1,215,086	$1,079,588
5	2026/27	$890,397,408	$8,903,974	$2,060,269	$941,150	$3,001,419	$1,500,710	$1,294,525
6	2027/28	$1,111,953,498	$11,119,535	$2,572,923	$1,175,335	$3,748,257	$1,874,129	$1,569,553
7	2028/29	$1,311,627,412	$13,116,274	$3,034,943	$1,386,390	$4,421,333	$2,210,667	$1,797,474
8	2029/30	$1,520,181,126	$15,201,811	$3,517,511	$1,606,831	$5,124,342	$2,562,171	$2,022,601
9	2030/31	$1,679,545,634	$16,795,456	$3,886,260	$1,775,280	$5,661,540	$2,830,770	$2,169,550
10	2031/32	$1,916,313,181	$19,163,132	$4,434,111	$2,025,543	$6,459,654	$3,229,827	$2,403,295
11	2032/33	$1,998,957,907	$19,989,579	$4,625,341	$2,112,899	$6,738,239	$3,369,120	$2,433,924
12	2033/34	$2,084,148,357	$20,841,484	$4,822,461	$2,202,945	$7,025,406	$3,512,703	$2,463,739
13	2034/35	$2,171,962,232	$21,719,622	$5,025,651	$2,295,764	$7,321,415	$3,660,708	$2,492,764
14	2035/36	$2,301,822,048	$23,018,220	$5,326,131	$2,433,026	$7,759,157	$3,879,578	$2,564,858
15	2036/37	$2,533,918,907	$25,339,189	$5,863,174	$2,678,352	$8,541,526	$4,270,763	$2,741,240
16	2037/38	$2,775,802,793	$27,758,028	$6,422,863	$2,934,024	$9,356,887	$4,678,444	$2,915,451
17	2038/39	$3,027,823,800	$30,278,238	$7,006,009	$3,200,410	$10,206,419	$5,103,209	$3,087,526
18	2039/40	$3,334,623,935	$33,346,239	$7,715,906	$3,524,697	$11,240,604	$5,620,302	$3,301,335
19	2040/41	$3,608,901,968	$36,089,020	$8,350,552	$3,814,609	$12,165,161	$6,082,581	$3,468,811
20	2041/42	$3,873,296,294	$38,732,963	$8,962,327	$4,094,074	$13,056,402	$6,528,201	$3,614,506
21	2042/43	$4,032,522,795	$40,325,228	$9,330,758	$4,262,377	$13,593,134	$6,796,567	$3,653,490
22	2043/44	$4,246,641,188	$42,466,412	$9,826,201	$4,488,700	$14,314,901	$7,157,450	$3,735,420
23	2044/45	$4,417,427,257	$44,174,273	$10,221,379	$4,669,221	$14,890,600	$7,445,300	$3,772,472
24	2045/46	$4,576,074,442	$45,760,744	$10,588,469	$4,836,911	$15,425,380	$7,712,690	$3,794,132
25	2046/47	$4,727,169,590	$47,271,696	$10,938,084	$4,996,618	$15,934,703	$7,967,351	$3,805,251
26	2047/48	$4,876,879,773	$48,768,798	$11,284,495	$5,154,862	$16,439,357	$8,219,678	$3,811,422
27	2048/49	$4,988,974,801	$49,889,748	$11,543,869	$5,273,346	$16,817,215	$8,408,608	$3,785,463
28	2049/50	$5,103,311,731	$51,033,117	$11,808,431	$5,394,200	$17,202,631	$8,601,316	$3,759,435
29	2050/51	$5,219,935,399	$52,199,354	$12,078,283	$5,517,472	$17,595,755	$8,797,877	$3,733,347
30	2051/52	$5,338,891,540	$53,388,915	$12,353,533	$5,643,208	$17,996,741	$8,998,371	$3,707,210
31	2052/53	$5,460,226,804	$54,602,268	$12,634,288	$5,771,460	$18,405,747	$9,202,874	$3,681,031
32	2053/54	$5,583,988,773	$55,839,888	$12,920,658	$5,902,276	$18,822,934	$9,411,467	$3,654,821
33	2054/55	$5,710,225,982	$57,102,260	$13,212,755	$6,035,709	$19,248,464	$9,624,232	$3,628,588
34	2055/56	$5,838,987,935	$58,389,879	$13,510,694	$6,171,810	$19,682,504	$9,841,252	$3,602,340
35	2056/57	$5,970,325,127	$59,703,251	$13,814,592	$6,310,634	$20,125,226	$10,062,613	$3,576,086
36	2057/58	$6,104,289,063	$61,042,891	$14,124,568	$6,452,234	$20,576,801	$7,657,336	$2,642,029
Total			**$1,202,250,000**	**$278,180,000**	**$127,080,000**	**$405,260,000**	**$200,000,000**	**$101,600,000**
2021 Dollars			**$608,200,000**	**$140,730,000**	**$64,290,000**	**$205,020,000**	**$101,600,000**	

D. Plan for Financing Facilities

The final structure for financing the public facilities that are eligible to be funded with MAP EIFD revenues has not yet been established and the PFA retains full flexibility under the provisions of the law, including issuing bonds secured by MAP EIFD revenues. At this time, it is anticipated that the $295+ million (2021 dollars) of public facilities that are eligible to be funded with EIFD revenues will be financed through a combination of the following sources: private developers and property owners; CFD bond proceeds, County development impact fee revenues, and EIFD PAYGO revenues. It is anticipated that a portion of advances from the private sector will be reimbursed by public funds, including impact fees, CFD proceeds, or EIFD PAYGO revenues. Facilities that are funded solely with public funds are anticipated to be funded with a combination of impact fees, CFD proceeds, and EIFD PAYGO revenues. It is anticipated that EIFD revenues will be used to pay a portion of annual debt service on CFD bonds secured by liens on properties within the MAP EIFD. The PFA does not currently anticipate issuing bonds secured by MAP EIFD revenues.

A preliminary draft financing structure has been identified for this IFP based on current discussions with property owners and developers, anticipated available funding from the EIFD and impact fees, and estimated available capacity for an additional issuance of CFD bonds. As shown in Table 6, there are identified funding sources for approximately $276 million of the cost of improvements, leaving a $20 million funding gap. Under this scenario, approximately $140 million of needed public facilities will be directly funded by the public sector with a combination of impact fee revenues, EIFD PAYGO revenues, and CFD bonds with debt service paid by EIFD revenues. It is anticipated that the private sector will advance funds for approximately $136 million of the $295 million of needed improvements, with $57 million of the advance to be reimbursed by public sources, including a combination of impact fees, CFD proceeds, and/or EIFD PAYGO revenues. It is anticipated that the $20 million gap will be funded by additional private sector funding and/or future public grant funds.

Table 6. Illustrative Structure for Financing Public Facilities

$millions	Private Advance	No Private Advance	Total
No Public Reimbursement	$79.30	NA	$79.30
Impact Fee or CFD Reimbursements	$52.84	NA	$52.84
EIFD PAYGO Reimbursements	$3.90	NA	$3.90
Impact Fees	NA	$41.87	$41.87
EIFD PAYGO	NA	$71.44	$71.44
CFD Bond with EIFD Backstop Funding of CFD Bond Debt Service	NA	$26.26	$26.26
Unidentified private and/or public funds	$0.00	$19.86	$19.86
Total	$136.03	$159.44	$295.47

E. Limit on Total Taxes Allocated to the MAP EIFD

The number of dollars of tax revenue that maybe allocated to the MAP EIFD will not exceed $200.0 million (nominal dollars).

F. MAP EIFD Termination Date

The MAP EIFD will cease to exist on either: a) June 30, 2058; or b) the date that cumulative deposits into the MAP EIFD total $200.0 million; whichever occurs first. This termination date is within the limits prescribed by Government Code Section 53398.63(d)(5).

G. Service Costs and Fiscal Impacts

This IFP provides an analysis of the costs to the County of Sacramento in providing facilities and services, as well as the estimated fiscal impacts of incremental new development within the boundaries of the MAP EIFD on the County while the area is being developed and upon buildout, as described below.

The County intends to assist in funding the public facilities that will serve Metro Air Park with the following sources of funds: impact fees to be paid by new development within Metro Air Park; CFD bond proceeds that are repaid by special taxes levied on and secured by private properties within Metro Air Park; potential state and federal grants; and, 50% of the County's share of net property tax increment and incremental PTILVLF revenues to be generated by properties within the MAP EIFD. The County's contributions toward the development of capital facilities will be fully funded by new revenues generated by the MAP and will therefore have a neutral direct fiscal impact on the County.

The fiscal impact analysis of annual operations estimates tax and other operating public revenues generated by new development with MAP, as well as the cost of public services required to serve new development within MAP. The analysis only focuses on fiscal impacts to the County, which is the only participating taxing entity, and specifically, impacts on the County's General Fund and Road Fund. These two funds are the focus of the fiscal analysis because they are the primary funding sources for services provided by the County and the funds are supported by property taxes and subventions rather than user fees. The fiscal impact analysis does not address activities budgeted in other Governmental Funds or Enterprise Funds (e.g., Water Fund or Sewer Fund) that are funded through fees for service. Given that there are no residential units within Metro Air Park, development of MAP will not increase the costs to some of the County's services departments, such as Child Support Services, whose service population is comprised solely of residents and not people who work in the County.

The construction of Metro Air Park will generate additional revenues that are associated with the construction, such as use tax revenues from the purchase of construction materials. These construction-related revenues are not included in this fiscal impact analysis, which measures the recurring annual impacts from operations.

The fiscal impact analysis uses service cost and revenue factors derived from Sacramento County's FY 2019/20 Adopted General Fund and Road Fund budgets, and 2020 population and employment estimates per the 2020 US Census. All results are reported in 2021 dollars.

The fiscal impact analysis measures impacts at three points in time relative to the absorption of the new development anticipated in Metro Air Park. The first point in time is in FY 2027/28, with the expected completion of 10 million square feet of space (50% of buildout). The second is FY 2037/38, with the expected cumulative absorption of 15 million square feet of space (75% of buildout) and the third point in time is FY 2047/48, which is when Metro Airpark is anticipated to achieve full buildout, with 20 million square feet of space complete and occupied.

A summary of annual net fiscal impact analysis results at each of these points in time is provided in Table 7. As shown, the properties within Metro Air Park are anticipated to generate a relatively small annual deficit to the County's General Fund and Road Fund at 50% completion, an annual surplus at 75% completion, and a significant annual surplus upon full absorption. The net annual deficit at 50% completion is anticipated to approximate $128,000, which represents only 4% of projected annual revenue. The annual fiscal impact is expected to increase to a surplus of $3.0 million at 75% completion and stabilize at $6.0 million upon full buildout.

Table 7. Estimated Annual Operating Impacts to the County General and Road Funds

2021 dollars	50% Buildout (FY 2027/28)	75% Buildout (FY 2037/38)	100% Buildout (FY 2047/48)
Annual General and Road Fund Revenues	$3.2 million	$8.4 million	$13.1 million
Annual General and Road Fund Expenses	$3.3 million	$5.4 million	$7.1 million
Estimated Net Annual Impact	$(0.1) million	$3.0 million	$6.0 million

Key assumptions underlying these fiscal impact analysis results are described below:

- **Assessed Property Values.** The value of new development reflects the estimated value of land and secured improvements. The value estimates are based on anticipate construction costs and the assessed values of recently completed new similar developments.

- **Incremental New Employment.** Service cost estimates are driven largely by the estimated number of new employees to be located at Metro Air Park. Based on industry standard densities and current employment densities of occupied facilities at MAP, it is estimated that over 29,000 employees will be based at MAP facilities upon full buildout.

- **City General Fund Property Tax Revenue.** Incremental new property tax revenue generated by properties within the MAP EIFD is based on the County General Fund's share of the 1 percent property tax rate within Metro Air Park, which is 23.14%. Property tax increment will be allocated 50/50 between the General Fund and the MAP EIFD.

- **PTILVLF Revenue.** Based on the state formula, Sacramento County receives approximately $1.057 in additional property tax in lieu of vehicle license fees for every $1,000 increase in assessed property values. Incremental PTILVLF revenues generated by MAP EIFD properties will be allocated 50/50 between the General Fund and the MAP EIFD.

- **Road Maintenance Costs.** County staff has estimated that the annual cost to the County to maintain the roadways that will serve the full buildout of Metro Air Park will total approximately $1.6 million[3]. Maintenance items to be funded by the County's Road Fund include the following:
    - Pavement costs for thoroughfares, arterials and 48' roadways.
    - Curb and gutter maintenance for all streets;
    - Traffic signal
    - Culvert and retaining walls
    - Sidewalks at traffic signal corners

  For purposes of this analysis, it is assumed that the annual costs will be proportionate to the percent of buildout at the MAP. It is anticipated that the cost to maintain the landscaping in the public right of ways will be funded by the Service CFD.

The assumptions, methodology, and detailed technical revenue and expenditure calculations of the fiscal impact analysis can be found in Attachment D.

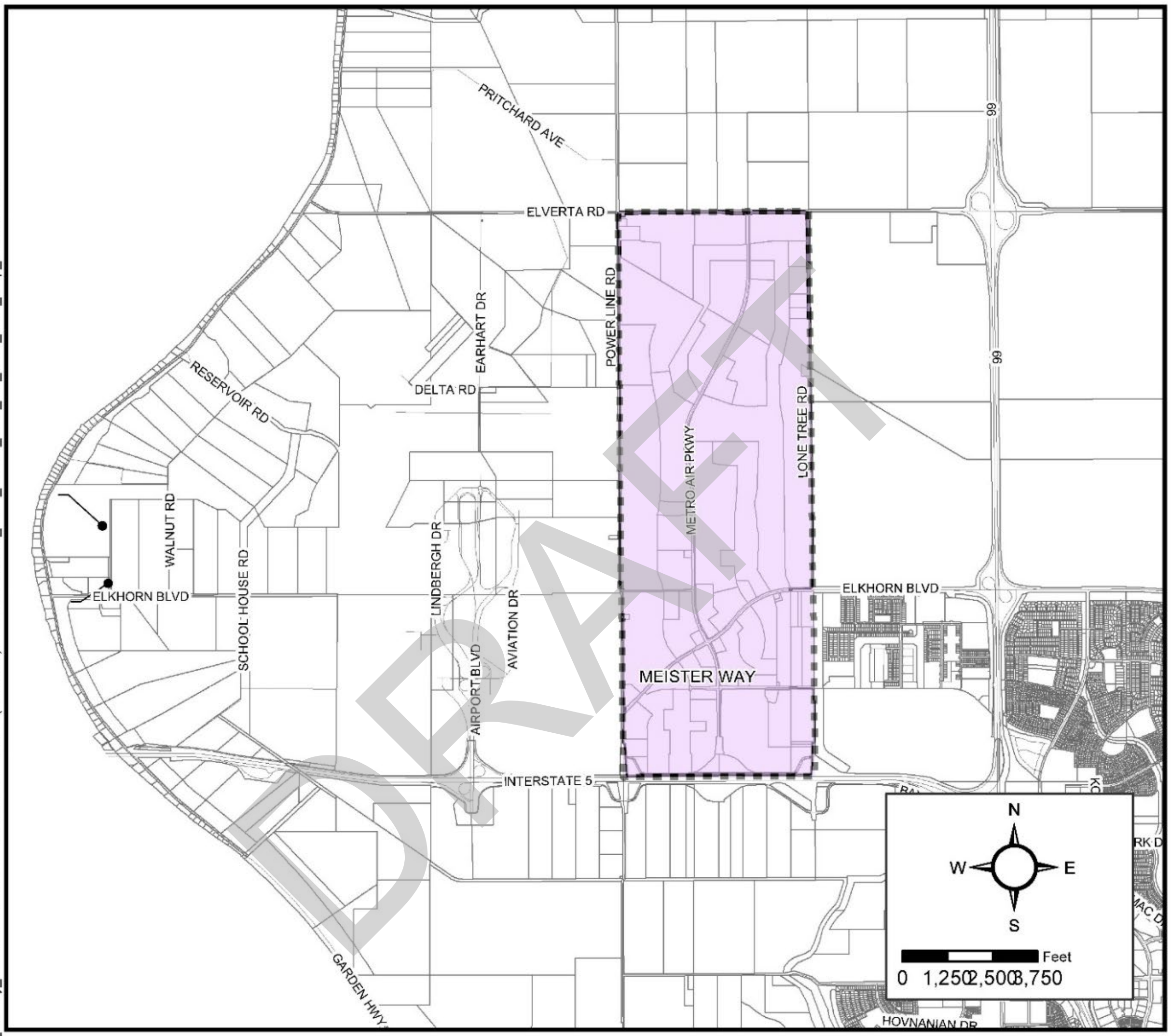
H. No Loss of Dwelling Units

There are no dwelling units within the boundaries of the MAP EIFD that have been occupied within the last five years that will be removed due to any project or development identified in this IFP. Therefore, a housing replacement plan is not required or included in this IFP.

[3] Cost estimates for maintaining the culverts and retaining walls were not available when this IFP was being prepared. Therefore, the cost estimate of $1.6 million understates the full cost to be borne by the County Road Fund.

Attachment A.
County of Sacramento Metro Air Park Enhanced Infrastructure Financing District (MAP EIFD) Map and Legal Description

ATTACHMENT A
METRO AIR PARK ENHANCED INFRASTRUCTURE FINANCE DISTRICT
BOUNDARY AND VICINITY MAP



3/22/2021 I:\Master_Data_Model\Community_Facility_Districts\Metro Air Park CFD No 2000-1 (Facilities)\Exhibits\Attach 1_MAP_Enhan_Infra_Fin_Distr_B&V_Map_Mar2021.mxd

District: Metro Air Park Enhanced Infrastructure Finance District

Supervisory District: 1 - Serna

Legend

Parcels

Metro Air Park Enhanced Infrastructure Finance District

Document Name: Attach 1_MAP_Enhan_Infra_Fin_Distr_B&V_Map_Mar2021

Attachment A

Legal Description

Being Sections 20, 29 and 32 of Township 10 North, Range 4 East, Mount Diablo Base & Meridian, County of Sacramento, State of California.

End of Description

Jon D. Scarpa, PLS 7554

Attachment B.
Description of Facilities Eligible to Receive Funding from the MAP EIFD

Attachment B
Public Facilities Eligible to Receive Funding from the MAP EIFD
Infrastructure Financing Plan (IFP) for MAP EIFD
Sacramento County, CA

#	Public Facility	Project # (Public Facilities Financing Plan)	Anticipated Completion Date	Estimated Cost in 2021 Dollars	Located outside or partially outside of MAP EIFD boundaries
1	MAP Interchange Phase 1	I5-X1	2021	$8,540,455	X
2	MAP Interchange Phase 1	I5-X2	2021	$16,846,689	X
3	Elverta and Elkhorn AC Overlay LTR to SR 99	ER & EB Paving	2021	$222,600	X
4	Power Line Rd 3 lanes Skyking to Road D (SD)	PLR-1.5a	2022	$9,053,163	
5	MAP Interchange Phase 2 -N/B Aux Lanes SR 99 to MAP	I5-2a	2022	$1,491,109	X
6	Metro Pwky I-5 to Elkhorn Blvd - Add 2 Lanes	MP-1.2	2022	$3,511,080	
7	Power Line Rd to Lone Tree Rd	EB-1.2	2023	$890,173	
8	Power Line Rd Culvert	RD1000-2	2023	$1,447,319	
9	Canal Reach 4/5 Culverts	RD1000-3	2023	$225,445	X
10	Trash Capture Screening at Pump Station	DRN-11.2	2022	$532,539	
11	Pump Station Upgrade (South)	DRN-10	2023	$1,273,615	
12	Off-site R/W & Reach No. 8	RD1000-7	2023	$3,004,587	X
13	Metro Pwky Elkhorn Blvd to Road "A" - Add 2 Lanes	MP-2	2023	$4,393,240	
14	Metro Pwky to Lone Tree Rd - Add 2 Lanes	EB-2	2023	$2,029,266	
15	Install Pump to complete project	RD1000-6	2023	$326,568	X
16	MAP 3rd Reimbursement for Advanced Funding	RMB-3	2023	$426,031	
17	Fire Station Land Purchase	FS-2	2024	$47,929	
18	Fire Station Facilities	FS-1	2024	$7,242,530	
19	Power Line Rd I-5 Overcrossing to Elkhorn Blvd	PLR-1	2024	$1,629,486	
20	Power Line Rd 3 lanes Road D to Road A (SD)	PLR-1.5b	2022	$3,514,757	
21	MAP Interchange Phase 2	I5-2b	2025	$5,801,956	X
22	SR99/Elkhorn	SR99-4	2025	$615,693	X
23	Lift Station Upgrade	SWR-4	2025	$415,632	
24	Pump Station Upgrade (South)	DRN-11.1	2025	$1,485,884	
25	Power Line Rd to Lone Tree Rd	ER-1	2025	$2,606,252	
26	Lone Tree Rd to SR-99	ER-2	2025	$2,245,843	X
27	Road "B" to Lone Tree Rd	MW-1	2026	$3,685,187	
28	Storage Reservoir	WTR-7	2027	$4,153,804	
29	Meister Way to Elverta Rd	LTR-1	2022	$13,780,235	
30	2 lanes MAP to LTR, MAP 4 Monum., SD, Sewer	RA-1(east)	2028	$3,443,114	
31	2 lanes MAP to LTR, MAP 4 Monum., SD, Sewer	RA-1(west)	2028	$4,529,735	
32	Power Line Rd Road "A" to Elverta Rd	PLR-2	2022	$2,827,639	
33	Power Line Rd to Lone Tree Rd	EB-4	2029	$2,308,615	
34	Lone Tree Rd to SR-99	ER-3	2029	$2,454,038	X
35	Lone Tree Rd to SR-99	EB-5	2029	$551,064	X
36	Metro Pwky I-5 to Elverta Rd	MP-3	2029	$3,568,821	
37	SR-99/Elkhorn Blvd Inter. Widening - Stage I	SR99-2	2029	$7,760,999	X
38	I-5 Main Line Lanes	I5-3	2030	$10,757,221	X
39	I-5/Metro Pkwy Inter. - Final Stage	I5-4	2031	$13,431,128	X
40	South Bayou Rd/Airport Blvd Intx	SBR-2	2031	$11,751	X
41	I-5/Airport Blvd South Bound Exit Ramp	I5-5	2032	$717,431	X
42	SR-99 Elkhorn Blvd Intr. - Final Stage	SR99-6	2032	$4,133,452	X
43	Metro Pkwy to Lone Tree Rd	ER-4	2033	$792,664	
44	Power Line Rd to City Limits	DPR-1	2033	$3,045,796	X
45	Power Line Rd Del Paso Rd to I-5 Overcrossing	PLR-3	2034	$4,024,479	X
46	Metro Pwky Road "A" to Elverta Rd	MP-4	2034	$1,820,922	

Attachment B
Public Facilities Eligible to Receive Funding from the MAP EIFD
Infrastructure Financing Plan (IFP) for MAP EIFD
Sacramento County, CA

#	Public Facility	Project # (Public Facilities Financing Plan)	Anticipated Completion Date	Estimated Cost in 2021 Dollars	Located outside or partially outside of MAP EIFD boundaries
47	RT Light Rail ROW and Station Land Purchase	T-1&T-3	2035	$468,634	
48	Light Rail (Construction Contrib.)	T-2	2035	$3,088,726	
49	Skyking Road		2017	$4,125,000	
50	Bearpaw Road		2017	$2,500,000	
51	Serna Road		2020	$2,875,000	
52	Road F North of Elkhorn		2022	$8,250,000	
53	Road F South of Elkhorn to Meister Way		2022	$3,437,500	
54	Road F South of Meister Way to Northlake boundary		2030	$4,812,500	
55	Road N Elkhorn to Road F		2023	$1,925,000	
56	Pacific Gateway		2022	$2,200,000	
57	Bearpaw Extension Elkhorn to Powerline		2023	$6,325,000	
58	Lone Tree Road South Meister Way		2023	$2,200,000	
59	Outside lanes (M/A Pkwy & Elkhorn Blvd.)		2024	$14,520,000	
60	Curb, Gutter, Sidewalk, J.T Frontage		2034	$26,125,000	
61	Parks, recreation and open space facilities		2030	$30,000,000	
62	Power Line Rd. Water Treatment Facility, intake transmission lines and related improvements		2025	$15,000,000	X
Total, All Facilities				**$295,470,296**	

Attachment C.
MAP EIFD Tax Increment Revenue Projection

Attachment C Table 1
FY 2021/22 Equalized Assessed Value of MAP EIFD Parcels
Infrastructure Financing Plan, MAP EIFD
Source: County Controller – August 16, 2021

APN	SITE SF	OWNER CODE	LAND	IMPROVEMENT	SECURED ASSESSED VALUE	UNSECURED ASSESSED VALUE	TOTAL ASSESSED VALUE
201-0170-040-0000	3,999	10	$0	$0	$0		$0
201-0292-009-0000	217,800	0	$717,355	$141,450	$858,805		$858,805
201-0292-025-0000	104,980	0	$14,059	$0	$14,059		$14,059
201-0292-027-0000	544,500	0	$226,994	$0	$226,994		$226,994
201-0292-028-0000	571,943	0	$57,522	$0	$57,522		$57,522
201-0292-037-0000	312,761	0	$855,370	$0	$855,370		$855,370
201-1020-002-0000	1,308,978	0	$6,178,120	$0	$6,178,120		$6,178,120
201-1020-004-0000	2,250,745	0	$341,508	$0	$341,508		$341,508
201-1020-006-0000	3,722,202	0	$15,982,884	$34,500,000	$50,482,884		$50,482,884
201-1020-008-0000	2,630,153	0	$4,237,470	$0	$4,237,470		$4,237,470
201-1020-011-0000	945,688	0	$5,700,000	$0	$5,700,000		$5,700,000
201-1020-013-0000	1,054,152	0	$2,672,118	$0	$2,672,118		$2,672,118
201-1020-014-0000	101,059	0	$875,982	$0	$875,982		$875,982
201-1020-016-0000	177,725	0	$77,987	$0	$77,987		$77,987
201-1020-017-0000	243,065	0	$1,919,684	$0	$1,919,684		$1,919,684
201-1020-018-0000	605,920	0	$1,616,576	$0	$1,616,576		$1,616,576
201-1020-019-0000	596,772	0	$271,707	$0	$271,707		$271,707
201-1020-020-0000	281,398	0	$364,547	$0	$364,547		$364,547
201-1020-021-0000	106,286	0	$573,627	$0	$573,627		$573,627
201-1020-022-0000	1,406,117	0	$3,012,887	$0	$3,012,887		$3,012,887
201-1020-024-0000	204,732	0	$372,878	$0	$372,878		$372,878
201-1020-030-0000	236,095	0	$25,014	$0	$25,014		$25,014
201-1020-032-0000	764,478	0	$1,533,098	$0	$1,533,098		$1,533,098
201-1020-033-0000	1,196,593	0	$439,204	$0	$439,204		$439,204
201-1020-034-0000	237,402	0	$448,708	$0	$448,708		$448,708
201-1020-035-0000	107,593	10	$0	$0	$0		$0
201-1020-036-0000	989,683	0	$3,132,116	$0	$3,132,116		$3,132,116
201-1020-037-0000	104,980	0	$875,982	$0	$875,982		$875,982
201-1020-038-0000	630,749	0	$4,041,440	$0	$4,041,440		$4,041,440
201-1020-040-0000	189,922	0	$369,973	$0	$369,973		$369,973
201-1020-041-0000	4,155,624	0	$8,056,643	$0	$8,056,643		$8,056,643
201-1020-042-0000	3,108,877	0	$9,654,356	$0	$9,654,356		$9,654,356
201-1020-043-0000	7,676,143	0	$1,274,458	$0	$1,274,458		$1,274,458
201-1020-051-0000	317,117	0	$1,156,296	$0	$1,156,296		$1,156,296
201-1020-052-0000	541,451	0	$909,324	$0	$909,324		$909,324
201-1020-054-0000	960,934	0	$95,747	$0	$95,747		$95,747
201-1020-055-0000	124,146	0	$428,880	$0	$428,880		$428,880
201-1020-056-0000	121,097	0	$11,803	$0	$11,803		$11,803
201-1020-057-0000	223,898	0	$325,778	$0	$325,778		$325,778
201-1020-058-0000	43,560	0	$350,000	$0	$350,000		$350,000
201-1020-059-0000	43,996	0	$58,977	$0	$58,977		$58,977
201-1020-062-0000	1,383,466	0	$6,200,000	$0	$6,200,000		$6,200,000
201-1020-064-0000	419,047	0	$2,100,000	$0	$2,100,000		$2,100,000
201-1020-065-0000	774,932	0	$4,600,000	$0	$4,600,000		$4,600,000
201-1020-067-0000	892,544	10	$0	$0	$0		$0
201-1020-068-0000	22,216	0	$10	$0	$10		$10
201-1020-071-0000	36,590	0	$3,721	$0	$3,721		$3,721
201-1020-072-0000	41,556	10	$0	$0	$0		$0
201-1020-073-0000	961,805	10	$0	$0	$0		$0
201-1020-074-0000	9,714	14	$0	$0	$0		$0
201-1020-075-0000	94,525	10	$0	$0	$0		$0
201-1020-076-0000	25,352	10	$0	$0	$0		$0
201-1020-077-0000	20,386	10	$0	$0	$0		$0
201-1020-078-0000	23,250	11	$0	$0	$0		$0
201-1020-090-0000	180,774	10	$0	$0	$0		$0
201-1020-091-0000	1,216,195	0	$3,259,494	$0	$3,259,494		$3,259,494

Attachment C Table 1
FY 2021/22 Equalized Assessed Value of MAP EIFD Parcels
Infrastructure Financing Plan, MAP EIFD
Source: County Controller – August 16, 2021

APN	SITE SF	OWNER CODE	LAND	IMPROVEMENT	SECURED ASSESSED VALUE	UNSECURED ASSESSED VALUE	TOTAL ASSESSED VALUE
201-1020-092-0000	272,250	10	$0	$0	$0		$0
201-1020-093-0000	3,114,104	0	$10,924,012	$0	$10,924,012		$10,924,012
201-1020-095-0000	868,151	0	$1,442,794	$0	$1,442,794		$1,442,794
201-1020-096-0000	1,347	10	$0	$0	$0		$0
201-1020-097-0000	1,467,972	0	$2,830,613	$0	$2,830,613		$2,830,613
201-1020-098-0000	2,659,774	0	$4,122,268	$0	$4,122,268		$4,122,268
201-1020-099-0000	2,901,532	0	$11,338,600	$99,861,961	$111,200,561	$147,297,224	$258,497,785
201-1020-100-0000	1,323,788	0	$2,677,454	$49,880,487	$52,557,941		$52,557,941
201-1020-103-0000	2,917,648	0	$4,122,268	$125,103,600	$129,225,868	$33,313,416	$162,539,284
201-1020-104-0000	1,325,966	0	$5,809,054	$58,000,000	$63,809,054		$63,809,054
201-1020-105-0000	115,434	0	$10	$0	$10		$10
201-1020-106-0000	405,108	0	$3,899,989	$0	$3,899,989		$3,899,989
201-1020-107-0000	965,289	0	$1,370,654	$0	$1,370,654		$1,370,654
201-1020-108-0000	964,418	0	$617,692	$0	$617,692		$617,692
201-1020-109-0000	578,041	0	$370,219	$0	$370,219		$370,219
201-1020-110-0000	580,219	0	$371,614	$0	$371,614		$371,614
201-1020-111-0000	821,541	0	$526,185	$0	$526,185		$526,185
201-1020-112-0000	601,128	0	$385,008	$0	$385,008		$385,008
201-1020-113-0000	834,173	0	$534,272	$0	$534,272		$534,272
201-1020-114-0000	43,516	0	$27,861	$0	$27,861		$27,861
201-1020-115-0000	689,119	0	$441,363	$0	$441,363		$441,363
201-1020-116-0000	94,089	0	$60,271	$0	$60,271		$60,271
201-1020-117-0000	164,221	0	$149,293	$0	$149,293		$149,293
201-1020-124-0000	192,099	0	$174,553	$0	$174,553		$174,553
201-1020-125-0000	385,070	0	$2,120,000	$0	$2,120,000		$2,120,000
201-1020-126-0000	360,676	0	$1,980,000	$0	$1,980,000		$1,980,000
201-1020-127-0000	501,375	0	$199,190	$0	$199,190		$199,190
201-1020-128-0000	492,228	0	$195,558	$0	$195,558		$195,558
201-1020-129-0000	524,026	0	$208,193	$0	$208,193		$208,193
201-1020-134-0000	857,260	0	$5,145,379	$0	$5,145,379		$5,145,379
201-1020-135-0000	565,844	0	$3,396,264	$0	$3,396,264		$3,396,264
201-1020-136-0000	250,470	0	$1,503,357	$0	$1,503,357		$1,503,357
201-1460-003-0000	344,124	0	$503,360	$0	$503,360		$503,360
201-1460-004-0000	174,240	0	$254,851	$0	$254,851		$254,851
201-1460-005-0000	170,755	0	$249,754	$0	$249,754		$249,754
201-1460-006-0000	182,952	0	$267,638	$0	$267,638		$267,638
201-1460-010-0000	412,513	0	$1,014,465	$0	$1,014,465		$1,014,465
201-1460-011-0000	355,885	0	$875,200	$0	$875,200		$875,200
201-1460-012-0000	165,963	0	$408,123	$0	$408,123		$408,123
201-1460-013-0000	147,668	0	$363,133	$0	$363,133		$363,133
201-1460-014-0000	187,308	0	$460,620	$0	$460,620		$460,620
201-1460-015-0000	3,635	0	$8,914	$0	$8,914		$8,914
201-1460-016-0000	161,172	0	$396,388	$0	$396,388		$396,388
201-1460-017-0000	1,059,814	0	$5,500,000	$0	$5,500,000		$5,500,000
201-1460-018-0000	658,191	0	$3,300,100	$0	$3,300,100		$3,300,100
201-1470-001-0000	148,975	0	$773,092	$0	$773,092		$773,092
201-1470-002-0000	132,858	0	$689,452	$0	$689,452		$689,452
201-1470-003-0000	131,986	0	$684,927	$0	$684,927		$684,927
201-1470-004-0000	319,730	0	$1,659,224	$0	$1,659,224	$0	$1,659,224
Total	**77,863,310**		$179,773,526	$367,487,498	$547,261,024	$180,610,640	$727,871,664
	1,787.50	**acres**					

Attachment C, Table 2
Anticipated Absorption of Gross Building Area (GBA / SF) by Land Use
Metro Air Park EIFD
Sacramento County, CA

	Calendar Year	Fiscal Year	Distribution / Light Mfg. GBA	R&D / Office GBA	Retail GBA	Hotel GBA	All Uses, GBA	Cumulative GBA
	2018	2019/20	856,605	0	0	0	856,605	856,605
	2019	2020/21	0	0	0	0	0	856,605
Yr	2020	Base Year 2021/22	2,329,215	0	0	0	2,329,215	3,185,820
1	2021	2022/23	1,452,196	0	0	0	1,452,196	4,638,016
2	2022	2023/24	1,430,000	95,000	0	0	1,525,000	6,163,016
3	2023	2024/25	924,452	0	0	0	924,452	7,087,468
4	2024	2025/26	924,452	0	50,000	0	974,452	8,061,920
5	2025	2026/27	924,452	0	100,000	0	1,024,452	9,086,372
6	2026	2027/28	924,452	0	100,000	102,000	1,126,452	10,212,824
7	2027	2028/29	924,452	0	100,000	0	1,024,452	11,237,276
8	2028	2029/30	924,452	0	100,000	0	1,024,452	12,261,728
9	2029	2030/31	551,506	0	100,000	0	651,506	12,913,234
10	2030	2031/32	773,670	0	100,000	102,000	975,670	13,888,904
11	2031	2032/33	0	0	100,000	0	100,000	13,988,904
12	2032	2033/34	0	0	100,000	0	100,000	14,088,904
13	2033	2034/35	0	0	100,000	0	100,000	14,188,904
14	2034	2035/36	0	0	100,000	102,000	202,000	14,390,904
15	2035	2036/37	616,302	75,000	100,000	0	791,302	15,182,206
16	2036	2037/38	616,302	75,000	100,000	0	791,302	15,973,508
17	2037	2038/39	616,302	75,000	100,000	0	791,302	16,764,810
18	2038	2039/40	616,302	75,000	100,000	102,000	893,302	17,658,112
19	2039	2040/41	616,302	75,000	100,000	0	791,302	18,449,414
20	2040	2041/42	518,670	75,000	100,000	0	693,670	19,143,084
21	2041	2042/43	0	75,000	100,000	0	175,000	19,318,084
22	2042	2043/44	0	75,000	100,000	101,700	276,700	19,594,784
23	2043	2044/45	0	75,000	100,000	0	175,000	19,769,784
24	2044	2045/46	0	30,364	100,000	0	130,364	19,900,148
25	2045	2046/47	0	0	100,000	0	100,000	20,000,148
26	2046	2047/48	0	0	87,583	0	87,583	20,087,731
27	2047	2048/49	0	0	0	0	0	20,087,731
28	2048	2049/50	0	0	0	0	0	20,087,731
29	2049	2050/51	0	0	0	0	0	20,087,731
30	2050	2051/52	0	0	0	0	0	20,087,731
31	2051	2052/53	0	0	0	0	0	20,087,731
32	2052	2053/54	0	0	0	0	0	20,087,731
33	2053	2054/55	0	0	0	0	0	20,087,731
34	2054	2055/56	0	0	0	0	0	20,087,731
35	2055	2056/57	0	0	0	0	0	20,087,731
Total			16,540,084	800,364	2,237,583	509,700	20,087,731	

Attachment C, Table 3
Projected Incremental of Assessed Value
Metro Air Park EIFD
Sacramento County, CA

				New Development							
	Calendar Year	**Fiscal Year**	Base AV	**Distribution / Light Mfg.**	**R&D / Office**	**Retail**	**Hotel**	Adjustment for prior land sale	**All Uses**	Total AV with 2% Annual Growth	AV Increment
Yr	2020	Base Year 2021/22	$727,871,664								
1	2021	2022/23		$179,491,371	$0	$0	$0	$0	$179,491,371	$921,920,468	$194,048,804
2	2022	2023/24		$182,050,440	$19,653,173	$0	$0	$0	$201,703,613	$1,142,062,490	$414,190,826
3	2023	2024/25		$121,220,839	$0	$0	$0	$0	$121,220,839	$1,286,124,579	$558,252,915
4	2024	2025/26		$124,857,464	$0	$12,099,220	$0	$0	$136,956,684	$1,448,803,755	$720,932,091
5	2025	2026/27		$128,603,188	$0	$24,924,393	$0	-$13,038,340	$140,489,241	$1,618,269,072	$890,397,408
6	2026	2027/28		$132,461,284	$0	$25,672,124	$31,057,300	$0	$189,190,709	$1,839,825,162	$1,111,953,498
7	2027	2028/29		$136,435,123	$0	$26,442,288	$0	$0	$162,877,411	$2,039,499,076	$1,311,627,412
8	2028	2029/30		$140,528,176	$0	$27,235,557	$0	$0	$167,763,733	$2,248,052,790	$1,520,181,126
9	2029	2030/31		$86,350,829	$0	$28,052,623	$0	$0	$114,403,452	$2,407,417,298	$1,679,545,634
10	2030	2031/32		$124,769,734	$0	$28,894,202	$34,955,265	$0	$188,619,201	$2,644,184,845	$1,916,313,181
11	2031	2032/33		$0	$0	$29,761,028	$0	$0	$29,761,028	$2,726,829,571	$1,998,957,907
12	2032	2033/34		$0	$0	$30,653,859	$0	$0	$30,653,859	$2,812,020,021	$2,084,148,357
13	2033	2034/35		$0	$0	$31,573,475	$0	$0	$31,573,475	$2,899,833,896	$2,171,962,232
14	2034	2035/36		$0	$0	$32,520,679	$39,342,459	$0	$71,863,138	$3,029,693,712	$2,301,822,048
15	2035	2036/37		$115,221,412	$22,785,273	$33,496,299	$0	$0	$171,502,985	$3,261,790,571	$2,533,918,907
16	2036	2037/38		$118,678,055	$23,468,832	$34,501,188	$0	$0	$176,648,075	$3,503,674,457	$2,775,802,793
17	2037	2038/39		$122,238,396	$24,172,897	$35,536,224	$0	$0	$181,947,517	$3,755,695,464	$3,027,823,800
18	2038	2039/40		$125,905,548	$24,898,084	$36,602,311	$44,280,284	$0	$231,686,226	$4,062,495,599	$3,334,623,935
19	2039	2040/41		$129,682,715	$25,645,026	$37,700,380	$0	$0	$193,028,121	$4,336,773,632	$3,608,901,968
20	2040	2041/42		$112,413,086	$26,414,377	$38,831,392	$0	$0	$177,658,854	$4,601,167,958	$3,873,296,294
21	2041	2042/43		$0	$27,206,808	$39,996,333	$0	$0	$67,203,141	$4,760,394,459	$4,032,522,795
22	2042	2043/44		$0	$28,023,012	$41,196,223	$49,691,268	$0	$118,910,503	$4,974,512,852	$4,246,641,188
23	2043	2044/45		$0	$28,863,703	$42,432,110	$0	$0	$71,295,813	$5,145,298,921	$4,417,427,257
24	2044	2045/46		$0	$12,036,133	$43,705,073	$0	$0	$55,741,207	$5,303,946,106	$4,576,074,442
25	2045	2046/47		$0	$0	$45,016,225	$0	$0	$45,016,225	$5,455,041,254	$4,727,169,590
26	2046	2047/48		$0	$0	$40,609,358	$0	$0	$40,609,358	$5,604,751,437	$4,876,879,773
27	2047	2048/49		$0	$0	$0	$0	$0	$0	$5,716,846,465	$4,988,974,801
28	2048	2049/50		$0	$0	$0	$0	$0	$0	$5,831,183,395	$5,103,311,731
29	2049	2050/51		$0	$0	$0	$0	$0	$0	$5,947,807,063	$5,219,935,399
30	2050	2051/52		$0	$0	$0	$0	$0	$0	$6,066,763,204	$5,338,891,540
31	2051	2052/53		$0	$0	$0	$0	$0	$0	$6,188,098,468	$5,460,226,804
32	2052	2053/54		$0	$0	$0	$0	$0	$0	$6,311,860,437	$5,583,988,773
33	2053	2054/55		$0	$0	$0	$0	$0	$0	$6,438,097,646	$5,710,225,982
34	2054	2055/56		$0	$0	$0	$0	$0	$0	$6,566,859,599	$5,838,987,935
35	2055	2056/57		$0	$0	$0	$0	$0	$0	$6,698,196,791	$5,970,325,127
36	2056	2056/57		$0	$0	$0	$0	$0	$0	$6,832,160,727	$6,104,289,063

Attachment C, Table 4
Assessed Valuation Assumptions
Metro Air Park EIFD
Sacramento County, CA

New Construction

	Per Square Foot of Building Area
Incremental Secured Assessed Value[1]	
Logistics, Warehouse, Light Industrial	$120
Research and Development, Office	$195
Retail	$215
Hotel	$255
Annual cost escalation factor from FY	3%
Unsecured Assessed Value	$0
Recorded Land Sales	Included in projection
Escalation of Assessed Values of All properties Following Completion	
Annual escalation factor following	2%
Unsecured Assessed Value of New Development	$0

[1] Assumed average completed values are based on the sales prices of recently sold comparable projects.

[2] Represents statutory limit for properties that are not subject to a reassessment, per Proposition 13.

Attachment D.
Fiscal Impact Analysis of Metro Air Park

TABLE OF CONTENTS

Table 1
Summary of Annual Recurring County General Fund and Road Fund Revenue and Expenditures (2021 dollars)
Metro Air Park Fiscal Impact Analysis *Working Draft*
Sacramento County, CA *11/10/2021*

	FY 2027/28		FY 2037/38		FY 2047/48	
Revenue or Expenditure Category	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
General Fund Revenues [1]						
Property and VLF Taxes (General Fund Share @ 50% of Total Amount Generated)	$1,570,000	49.6%	$2,915,000	34.7%	$3,811,000	29.1%
Transient Occupancy Tax	$780,000	24.6%	$2,340,000	27.9%	$3,898,000	29.7%
Sales Tax[2]	$503,000	15.9%	$2,516,000	30.0%	$4,502,000	34.3%
Other Taxes	$225,000	7.1%	$373,000	4.4%	$497,000	3.8%
Fines and Forfeitures	$48,000	1.5%	$79,000	0.9%	$106,000	0.8%
Franchise Fees	$10,000	0.3%	$16,000	0.2%	$22,000	0.2%
Total General Fund Revenues	**$3,136,000**	**99.0%**	**$8,239,000**	**98.1%**	**$12,836,000**	**97.9%**
Road Fund Revenue [1]						
Road Fund	$31,000	1.0%	$157,000	1.9%	$281,000	2.1%
Total Revenue - General and Road Funds	**$3,167,000**	**100.0%**	**$8,396,000**	**100.0%**	**$13,117,000**	**100.0%**
General Fund Expenditures [3]						
General Government/Administration	$365,000	11.1%	$604,000	11.2%	$804,000	11.4%
Sheriff	$1,651,000	50.1%	$2,735,000	50.8%	$3,641,000	51.5%
Countywide Services Agency	$381,000	11.6%	$630,000	11.7%	$839,000	11.9%
Municipal Services Agency	$72,000	2.2%	$120,000	2.2%	$159,000	2.2%
Total General Fund Expenditures	**$2,469,000**	**74.9%**	**$4,089,000**	**76.0%**	**$5,443,000**	**77.0%**
Road Fund Expenditures[4]	**$826,000**	**25.1%**	**$1,293,000**	**24.0%**	**$1,626,000**	**23.0%**
Total Expenditures - General and Road Funds	**$3,295,000**	**100.0%**	**$5,382,000**	**100.0%**	**$7,069,000**	**100.0%**
Net Annual Recurring Impacts - General and Road Funds	**($128,000)**		**$3,014,000**		**$6,048,000**	

[1] See Tables 6a to 6e.

[2] Sales tax projections reflect taxable sales to be generated by on site retail space. Given the variation and uncertainty regarding the taxable sales of warehouse and distribution facilities, the projection does not include any sales tax revenues from warehouse and distribution space.

[3] See Tables 7a to 7b.

[4] See Table 7b.

Exhibit A: Estimated Annual General and Road Fund Fiscal Impacts to Sacramento County Metro Air Park

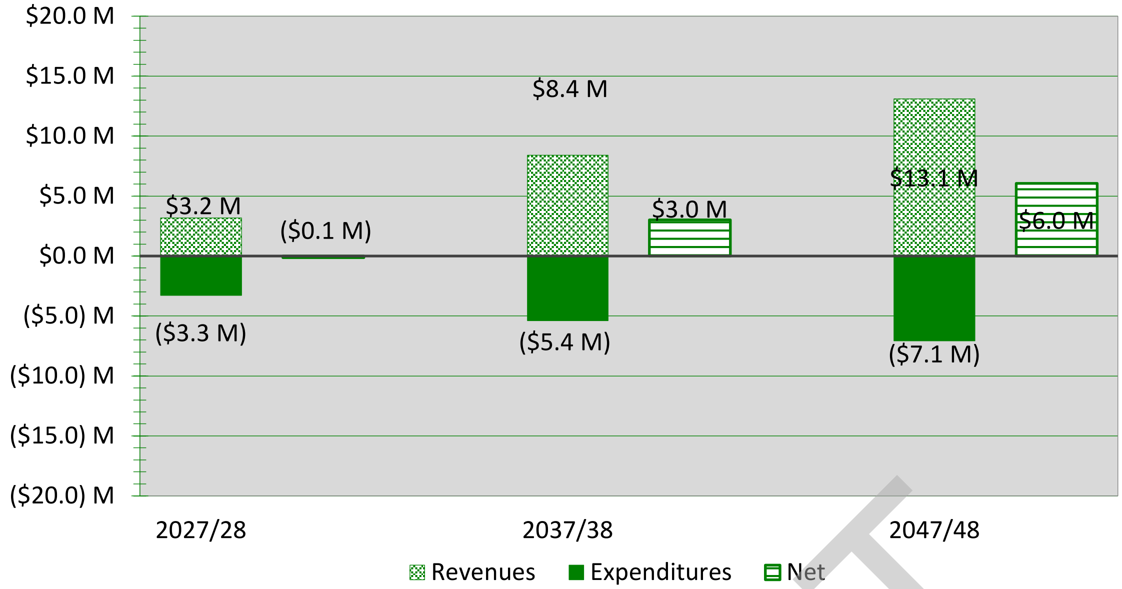


Table 2a
Development Program
Metro Air Park Fiscal Impact Analysis *Working Draft*
Sacramento County, CA *11/10/2021*
Source: KMA, County staff

Fiscal Year[1]	**FY 2027/28**		**FY 2037/38**		**FY 2047/48**	
GBA by Land Use Category[2]						
Distribution/Light Manufacturing	9,765,824		14,172,508		16,540,084	
R&D/Office	95,000		245,000		800,364	
Retail	250,000		1,250,000		2,237,583	
		rooms		*rooms*		*rooms*
Hotel	102,000	*150*	306,000	*450*	509,700	*750*
Total Square Footage	**10,212,824**		**15,973,508**		**20,087,731**	

1. Development occurs in calendar year prior to fiscal year. For example, development built in 2026 is reflected in FY2027/28. See Table 2b.
2. Table 2b.

Table 2b
Anticipated Absorption of Gross Building Area (GBA) by Land Use
Metro Air Park EIFD
Sacramento County, CA

Calendar Year	Year Assessed Value Reflected on Tax Roll	Dist./Light Mfg. GBA	R&D / Office GBA	Retail GBA	Hotel GBA	All Uses, GBA	Cumulative GBA , SF
2018	2019/20	856,605	0	0	0	856,605	856,605
2019	2020/21	0	0	0	0	0	856,605
2020	**Base Year 2021/22**	2,329,215	0	0	0	2,329,215	3,185,820
2021	2022/23	1,452,196	0	0	0	1,452,196	4,638,016
2022	2023/24	1,430,000	95,000	0	0	1,525,000	6,163,016
2023	2024/25	924,452	0	0	0	924,452	7,087,468
2024	2025/26	924,452	0	50,000	0	974,452	8,061,920
2025	2026/27	924,452	0	100,000	0	1,024,452	9,086,372
2026	2027/28	924,452	0	100,000	102,000	1,126,452	10,212,824
2027	2028/29	924,452	0	100,000	0	1,024,452	11,237,276
2028	2029/30	924,452	0	100,000	0	1,024,452	12,261,728
2029	2030/31	551,506	0	100,000	0	651,506	12,913,234
2030	2031/32	773,670	0	100,000	102,000	975,670	13,888,904
2031	2032/33	0	0	100,000	0	100,000	13,988,904
2032	2033/34	0	0	100,000	0	100,000	14,088,904
2033	2034/35	0	0	100,000	0	100,000	14,188,904
2034	2035/36	0	0	100,000	102,000	202,000	14,390,904
2035	2036/37	616,302	75,000	100,000	0	791,302	15,182,206
2036	2037/38	616,302	75,000	100,000	0	791,302	15,973,508
2037	2038/39	616,302	75,000	100,000	0	791,302	16,764,810
2038	2039/40	616,302	75,000	100,000	102,000	893,302	17,658,112
2039	2040/41	616,302	75,000	100,000	0	791,302	18,449,414
2040	2041/42	518,670	75,000	100,000	0	693,670	19,143,084
2041	2042/43	0	75,000	100,000	0	175,000	19,318,084
2042	2043/44	0	75,000	100,000	101,700	276,700	19,594,784
2043	2044/45	0	75,000	100,000	0	175,000	19,769,784
2044	2045/46	0	30,364	100,000	0	130,364	19,900,148
2045	2046/47	0	0	100,000	0	100,000	20,000,148
2046	2047/48	0	0	87,583	0	87,583	20,087,731
Total		**16,540,084**	**800,364**	**2,237,583**	**509,700**	**20,087,731**	

Source: KMA, Sacramento County Staff.

Table 3
Project Employment, and Resident Equivalents
Metro Air Park Fiscal Impact Analysis *Working Draft*
Sacramento County, CA *11/10/2021*

			FY 2027/28	FY 2037/38	FY 2047/48
Employment[1]					
Distribution/Light Manufacturing	*800*	*SF/empl*	12,207	17,716	20,675
R&D/Office	*350*	*SF/empl*	271	700	2,287
Retail	*400*	*SF/empl*	625	3,125	5,594
Hotel	*850*	*SF/empl*	120	360	600
Total Employees			**13,223**	**21,901**	**29,156**
Resident Equivalents					
Employment					
Distribution/Light Manufacturing	*0.50*	*res equiv*	6,104	8,858	10,338
R&D/Office	*0.50*	*res equiv*	136	350	1,144
Retail	*0.50*	*res equiv*	313	1,563	2,797
Hotel	*0.50*	*res equiv*	60	180	300
Total Resident Equivalents			**6,612**	**10,951**	**14,578**

1. Employment estimated using square footage from Table 2a and employment densities. Employment densities from Kosmont, Metro Air Park EIFD Fiscal Impact Analysis, 2019, except for Distribution/Light Manufacturing, which is estimated based on the current employment density of completed and occupied logistics space at MAP.

Table 4
Assessed Value and Property Taxes
Metro Air Park Fiscal Impact Analysis — ***Working Draft***
Sacramento County, CA — ***11/10/2021***

Fiscal Year	**FY 2027/28**	**FY 2037/38**	**FY 2047/48**
Total New Project Assessed Value[1]	$1,839,825,162	$3,503,674,457	$5,604,751,437
Existing Assessed Value[1]	$727,871,664	$727,871,664	$727,871,664
Net New Assessed Value (nominal dollars)	**$1,111,953,498**	**$2,775,802,793**	**$4,876,879,773**
Potential Available EIFD Revenue (nominal dollars)[1,2]	$3,748,257	$9,356,887	$16,439,357
Assumed Share of Property Taxes Allocated to EIFD	50%	50%	50%
Property Tax and VLF Allocated to EIFD (nominal dollars)	$1,874,129	$4,678,444	$8,219,678
Property Tax and VLF Revenue Allocated to General Fund (nominal dollars)	$1,874,129	$4,678,444	$8,219,678
Property Tax and VLF Revenue Allocated to General Fund (uninflated dollars)	**$1,569,553**	**$2,915,451**	**$3,811,422**

[1] Tables 6c, 6d, and 2a.
[2] Includes 23.14% County share of property taxes and $1.06/$1,000 Inc. AV in County VLF revenues.

Table 5
Existing Sacramento County Population, Employment, and Resident Equivalents
Metro Air Park Fiscal Impact Analysis *Working Draft*
Sacramento County, CA *11/10/2021*

Demographic Measure		Sacramento County	Unincorporated Sacramento County
Population [1]		1,585,055	610,442
Employment [2]		584,127	171,557
Resident Equivalents	*0.50 per employee*	1,877,119	696,221

Sheriff Patrol Resident Equivalents	
Unincorporated	696,221
City of Isleton	848
City of Rancho Cordova	100,085
Total	797,153

Animal Control Residents Served	
Unincorporated	610,442
City of Isleton	794
City of Galt	25,383
Total	636,619

[1] 2020 Census, State Redistricting Data (Public Law 94-171) Summary File, U.S. Census Bureau, August 2021
[2] ESRI.

Table 6a
Revenue Assumptions
Metro Air Park Fiscal Impact Analysis *Working Draft*
Sacramento County, CA *11/10/2021*
Page 1 of 2

General Fund

Property Taxes

County share[1]	23.14%	
Property Tax In-Lieu of MVLF[1]	1.057	/$1000 Inc. AV

Sales Tax

I. On-Site Retail Sales	$200	taxable sales per SF
II. On-Site Distribution/Manufacturing Sales	$0	taxable sales per SF [2]
III. Hotel Food and Beverage Sales	$0	hotel visitor food and beverage per square foot [2]
	680	sf /room
	$0	sales per room
IV. Sales Tax	1.00%	
V. Measure A Sales Tax for County Road Maintenance	0.06%	Measure A is .5%. Road maintenance portion is 30% and allocation to County is 41.8%
Prop. 172 Sales Tax[4]	0.0054%	of taxable sales
	(1.08% of 0.5% of taxable sales)	

Franchise Fees

	2019/20 Sacramento County Adopted Budget Estimates	Service Population Description	Resident Equiv.[5]	Average Revenue per Resident Equivalent
Other Franchises	$1,035,219	Uninc. Res & Emp.	696,221	$1.49
Total	**$1,035,219**			**$1.49**

Franchise Fee Revenues Assumption $1.49 per resident equivalent

Transient Occupancy Tax

$165	average room rate[6]
365	nights per year
72%	stabilized occupancy [6]
$43,000	avg annual revenue per room (room revenue only)
12%	Sacramento County tax rate
$5,200	per room per year

Table 6a
Revenue Assumptions
Metro Air Park Fiscal Impact Analysis — ***Working Draft***
Sacramento County, CA — ***11/10/2021***

Other Taxes

	2019/20 Sacramento County Adopted Budget Estimates	Service Population Description	Resident Equiv.[5]	Average Revenue per Resident Equivalent
Utility User Tax	$18,408,851	Uninc. Res & Emp.	696,221	$26.44
Miscellaneous Taxes (1)	$5,319,698	Uninc. Res & Emp.	696,221	$7.64
Total	**$23,728,549**			**$34.08**

(1) Property tax unitary and property tax penalties/costs.

Other Taxes Revenue Assumption $34.08 per resident equivalent

Fines, Forfeitures and Penalties

	2019/20 Sacramento County Adopted Budget Estimates	Service Population Description	Resident Equiv.[5]	Average Revenue per Resident Equivalent
Vehicle Code Fines	$5,991,061	County Res & Emp	1,877,119	$3.19
Other Court Fines	$7,600,000	County Res & Emp	1,877,119	$4.05
Total	**$13,591,061**			**$7.24**

Fines, Forfeitures, Penalties Revenue Assumption $7.24 per resident equivalent

ROAD FUND	2019/20 Sacramento County Adopted Budget Estimates	Service Population Description	Residents	Average Revenue per Resident
	$108,697,929	Unincorporated Residents	610,442	**$178.06**

1 Table 6c.

2 Given the unknown nature of the light industrial / distribution uses, KMA assumes that no sales tax revenue is generated from this land use. The hotels are assumed to be limited service hotels. As such, they are not anticipated to generate significant sales tax. These assumptions make the analysis more conservative.

3 Use tax revenues are not included at this time. Additional information is necessary to estimate this tax revenue.

4 Based on County's share of Statewide taxable sales in 2019 and 2020.

5 Table 5.

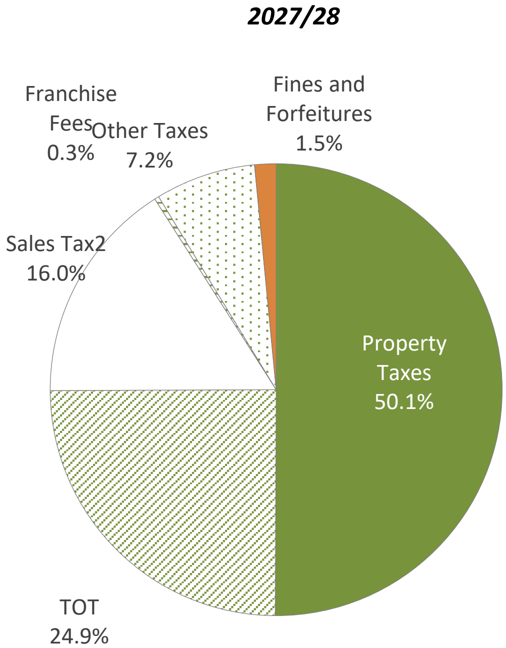
6 KMA, based on experiences of other hotels in the area.

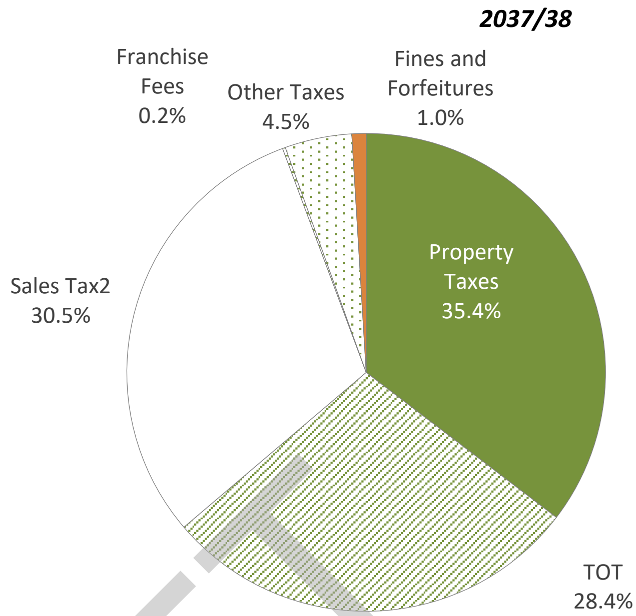
Table 6b
Estimated Annual General Fund and Road Fund Revenues (2021 Dollars)
Metro Air Park Fiscal Impact Analysis *Working Draft*
Sacramento County, CA *11/10/2021*

Revenue Source		**FY 2027/28**	**FY 2037/38**	**FY 2047/48**
Program/Demographic Measure				
Total Assessed Value ($1,000s) [1]		*$1,839,825*	*$3,503,674*	*$5,604,751*
Hotel Rooms [2]		*150*	*450*	*750*
Residents [2]		*0*	*0*	*0*
Resident Equivalents [2]		*6,612*	*10,951*	*14,578*
General Fund	*Estimating Factor* [4]			
Property Tax and VLF [3]				
General Fund Share @ 50% of County's share		$1,569,553	$2,915,451	$3,811,422
Local Sales Tax [5]		$503,000	$2,516,000	$4,502,000
Franchise Fees	*$1.49 /res equiv*	$10,000	$16,000	$22,000
Transient Occupancy Tax	*$5,200 /room/year*	$780,000	$2,340,000	$3,898,000
Other Taxes	*$34.08 /res equiv*	$225,000	$373,000	$497,000
Fines and Forfeitures	*$7.24 /res equiv*	$48,000	$79,000	$106,000
Total General Fund Revenue		**$3,135,553**	**$8,239,451**	**$12,836,422**
Road Fund				
Gas Tax	*$178.06 per res*	$0	$0	$0
Measure A Road Maintenance Funds	*0.06%* taxable sales	$31,000	$157,000	$281,000
Total Road Fund		$31,000	$157,000	$281,000
General and Road Fund Revenue		**$3,166,553**	**$8,396,451**	**$13,117,422**

[1] Table 4.
[2] Table 3.
[3] Table 6c.
[4] Table 6a.
[5] Table 6e.

Exhibit B: Composition of Annual General Fund Fiscal Revenues to Sacramento County from Metro Air Park





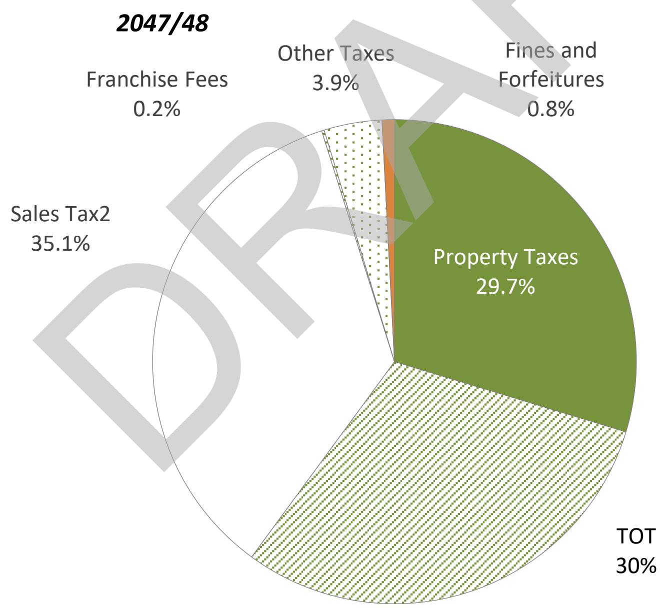


Table 6c. Assessed Value, Tax Increment, Incremental PTILVLF, and MAP EIFD Revenue

EIFD Year	Fiscal Year	Incremental Assessed Value	Property Tax Increment	County's Share of Tax Increment	County VLF Revenues	County TI and Inc. PTILVLF	Allocation to MAP EIFD	Allocation to MAP EIFD (2021 dollars)
			1.00%	23.14%	$1.06 /$1000 Inc. AV		50%	3%
Base Yr	2021/22	$0	$0	$0	$0	$0	$0	
1	2022/23	$194,048,804	$1,940,488	$449,005	$205,110	$654,114	$327,057	$317,531
2	2023/24	$414,190,826	$4,141,908	$958,386	$437,800	$1,396,186	$698,093	$658,020
3	2024/25	$558,252,915	$5,582,529	$1,291,728	$590,073	$1,881,801	$940,901	$861,057
4	2025/26	$720,932,091	$7,209,321	$1,668,147	$762,025	$2,430,173	$1,215,086	$1,079,588
5	2026/27	$890,397,408	$8,903,974	$2,060,269	$941,150	$3,001,419	$1,500,710	$1,294,525
6	2027/28	$1,111,953,498	$11,119,535	$2,572,923	$1,175,335	$3,748,257	$1,874,129	$1,569,553
7	2028/29	$1,311,627,412	$13,116,274	$3,034,943	$1,386,390	$4,421,333	$2,210,667	$1,797,474
8	2029/30	$1,520,181,126	$15,201,811	$3,517,511	$1,606,831	$5,124,342	$2,562,171	$2,022,601
9	2030/31	$1,679,545,634	$16,795,456	$3,886,260	$1,775,280	$5,661,540	$2,830,770	$2,169,550
10	2031/32	$1,916,313,181	$19,163,132	$4,434,111	$2,025,543	$6,459,654	$3,229,827	$2,403,295
11	2032/33	$1,998,957,907	$19,989,579	$4,625,341	$2,112,899	$6,738,239	$3,369,120	$2,433,924
12	2033/34	$2,084,148,357	$20,841,484	$4,822,461	$2,202,945	$7,025,406	$3,512,703	$2,463,739
13	2034/35	$2,171,962,232	$21,719,622	$5,025,651	$2,295,764	$7,321,415	$3,660,708	$2,492,764
14	2035/36	$2,301,822,048	$23,018,220	$5,326,131	$2,433,026	$7,759,157	$3,879,578	$2,564,858
15	2036/37	$2,533,918,907	$25,339,189	$5,863,174	$2,678,352	$8,541,526	$4,270,763	$2,741,240
16	2037/38	$2,775,802,793	$27,758,028	$6,422,863	$2,934,024	$9,356,887	$4,678,444	$2,915,451
17	2038/39	$3,027,823,800	$30,278,238	$7,006,009	$3,200,410	$10,206,419	$5,103,209	$3,087,526
18	2039/40	$3,334,623,935	$33,346,239	$7,715,906	$3,524,697	$11,240,604	$5,620,302	$3,301,335
19	2040/41	$3,608,901,968	$36,089,020	$8,350,552	$3,814,609	$12,165,161	$6,082,581	$3,468,811
20	2041/42	$3,873,296,294	$38,732,963	$8,962,327	$4,094,074	$13,056,402	$6,528,201	$3,614,506
21	2042/43	$4,032,522,795	$40,325,228	$9,330,758	$4,262,377	$13,593,134	$6,796,567	$3,653,490
22	2043/44	$4,246,641,188	$42,466,412	$9,826,201	$4,488,700	$14,314,901	$7,157,450	$3,735,420
23	2044/45	$4,417,427,257	$44,174,273	$10,221,379	$4,669,221	$14,890,600	$7,445,300	$3,772,472
24	2045/46	$4,576,074,442	$45,760,744	$10,588,469	$4,836,911	$15,425,380	$7,712,690	$3,794,132
25	2046/47	$4,727,169,590	$47,271,696	$10,938,084	$4,996,618	$15,934,703	$7,967,351	$3,805,251
26	2047/48	$4,876,879,773	$48,768,798	$11,284,495	$5,154,862	$16,439,357	$8,219,678	$3,811,422
27	2048/49	$4,988,974,801	$49,889,748	$11,543,869	$5,273,346	$16,817,215	$8,408,608	$3,785,463
28	2049/50	$5,103,311,731	$51,033,117	$11,808,431	$5,394,200	$17,202,631	$8,601,316	$3,759,435
29	2050/51	$5,219,935,399	$52,199,354	$12,078,283	$5,517,472	$17,595,755	$8,797,877	$3,733,347
30	2051/52	$5,338,891,540	$53,388,915	$12,353,533	$5,643,208	$17,996,741	$8,998,371	$3,707,210
31	2052/53	$5,460,226,804	$54,602,268	$12,634,288	$5,771,460	$18,405,747	$9,202,874	$3,681,031
32	2053/54	$5,583,988,773	$55,839,888	$12,920,658	$5,902,276	$18,822,934	$9,411,467	$3,654,821
33	2054/55	$5,710,225,982	$57,102,260	$13,212,755	$6,035,709	$19,248,464	$9,624,232	$3,628,588
34	2055/56	$5,838,987,935	$58,389,879	$13,510,694	$6,171,810	$19,682,504	$9,841,252	$3,602,340
35	2056/57	$5,970,325,127	$59,703,251	$13,814,592	$6,310,634	$20,125,226	$10,062,613	$3,576,086
36	2057/58	$6,104,289,063	$61,042,891	$14,124,568	$6,452,234	$20,576,801	$7,657,336	$2,642,029
Total			**$1,202,250,000**	**$278,180,000**	**$127,080,000**	**$405,260,000**	**$200,000,000**	**$101,600,000**
2021 Dollars			**$608,200,000**	**$140,730,000**	**$64,290,000**	**$205,020,000**	**$101,600,000**	

Table 6d
Assessed Valuation Assumptions
Metro Air Park EIFD Sacramento County, CA

New Construction

	Per Square Foot of Building Area
Incremental Secured Assessed Value[1]	
Logistics, Warehouse, Light Industrial	$120
Research and Development, Office	$195
Retail	$215
Hotel	$255
Annual cost escalation factor from FY	3%
Unsecured Assessed Value	$0
Recorded Land Sales	Included in projection
Escalation of Assessed Values of All properties Following Completion	
Annual escalation factor following	2%
Unsecured Assessed Value of New Development	$0

[1] Assumed average completed values are based on the sales prices of recently sold comparable projects.
[2] Represents statutory limit for properties that are not subject to a reassessment, per Proposition 13.

Table 6e
Estimated Annual Sales and Use Tax
Metro Air Park Fiscal Impact Analysis
Sacramento County, CA

Working Draft
11/10/2021

Revenue Source	**Estimating Factor [1]**		**FY 2027/28**	**FY 2037/38**	**FY 2047/48**
Program/Demographic Measure					
Retail SF [2]			*250,000*	*1,250,000*	*2,237,583*
Distribution/Light Manufacturing SF [2]			*9,765,824*	*14,172,508*	*16,540,084*
Hotel Rooms [2]			*150*	*450*	*750*
Taxable Sales					
On-Site Retail	*$200*	*per sf*	$50,000,000	$250,000,000	$447,517,000
On-Site Distr. & Manuf.	*$0.00*	*per sf*	$0	$0	$0
Hotel Visitor Spending	*$0*	*per room*	$0	$0	$0
Total Taxable Sales			$50,000,000	$250,000,000	$447,517,000
Local Sales Tax	*1.00%*	*of taxable sales*	$500,000	$2,502,000	$4,478,000
Prop. 172 Sales Tax Allocation	*0.005%*	*of taxable sales*	$3,000	$14,000	$24,000
Total General Fund Sales Tax			**$503,000**	**$2,516,000**	**$4,502,000**
Meas. A Road Maintenance	*0.063%*	*of taxable sales*	**$31,000**	**$157,000**	**$281,000**

[1] Table 6a.
[2] Table 2.

Table 7a
General Fund Expense Assumptions per Resident Equivalent
Metro Air Park Fiscal Impact Analysis — *Working Draft*
Sacramento County, CA — *11/10/2021*

General Government/Administration	Estimated Variable Expenses (From Table A-1)	Service Population Description	Resident Equivalents (From Table A-3)	Average Expense per Resident Equivalent
Assessor	$10,547,093	County Res & Emp	1,877,119	$5.62
Board of Supervisors	$0			
District Attorney	$62,539,076	County Res & Emp	1,877,119	$33.32
Appropriation for Contingency	$986,199	County Res & Emp	1,877,119	$0.53
Civil Service Commission	$375,223	County Res & Emp	1,877,119	$0.20
Office of Labor Relations	$0			
Clerk of the Board	$0			
Contribution to LAFCO	$0			
County Counsel	$0			
County Executive	$0			
County Executive Cabinet	$0			
Criminal Justice Cabinet	$0			
Emergency Operations	$0			
Financing - Transfers / Reimbursement	$4,605,364	County Res & Emp	1,877,119	$2.45
Fair Housing Services	$190,648	County Res & Emp	1,877,119	$0.10
Non-Departmental Costs/ GF	$24,327,089	County Res & Emp	1,877,119	$12.96
Subtotal	**$103,570,692**			**$55.18**

Sheriff				
Office of the Sheriff	$1,842,090	County Res & Emp	1,877,119	$0.98
SSD Restricted Revenue	$0			
Department & Support Services	$58,177,527	County Res & Emp	1,877,119	$30.99
Correctional Services	$99,606,966	County Res & Emp	1,877,119	$53.06
Field & Investigative Services	$107,161,963	Unincorporated County, Isleton, Rancho Cordova Res. & Emp.	797,153	$134.43
Contract/Regional	$9,631,708	County Res & Emp	1,877,119	$5.13
Correctional Health Services	$47,214,736	County Res & Emp	1,877,119	$25.15
Subtotal	**$323,634,990**			**$249.75**

Table 7a
General Fund Expense Assumptions per Resident Equivalent
Metro Air Park Fiscal Impact Analysis *Working Draft*
Sacramento County, CA *11/10/2021*

Countywide Services Agency				
AG Comm-Sealer of Wts & Measures	$1,295,417	County Res & Emp	1,877,119	$0.69
Child Support Services	$0			
1991 Realignment	$0			
Contribution to the Law Library	$11,828	County Res & Emp	1,877,119	$0.01
Cooperative Extension	$421,621	County Res & Emp	1,877,119	$0.22
Coroner	$6,210,653	County Res & Emp	1,877,119	$3.31
Court/County Contribution	$0			
Court/Non-Trial Court Funding	$0			
Court Paid County Services	$0			
Dispute Resolution Program	$0			
EMD Special Program Funds	$0			
Grand Jury	$0			
Public Defenders	$33,184,805	County Res & Emp	1,877,119	$17.68
IHSS Provider Payments	$0			
Mental Health Services Act	$0			
Probation	$66,947,029	County Res & Emp	1,877,119	$35.66
Veteran's Facility	$0			
Subtotal	**$108,071,353**			**$57.57**
Municipal Services Agency				
Community Development	$0			
Community Investment Program	$0			
Development and Code Services	$0			
Planning and Environmental Review	$2,070,810	Unincorporated County Res & Emp	696,221	$2.97
Code Enforcement	$5,532,764	Unincorporated County Res & Emp	696,221	$7.95
South Sacramento Conservation Admin	$0			
Neighborhood Revitalization	$0			
2011 Realignment	$0			
Department of Transportation	$0			
Public Safety Sales Tax	$0			
Roads	$0			
Transportation - Sales Tax	$0			
Subtotal	**$7,603,574**			**$10.92**
ROAD FUND maintenance expenses[1]	$1,625,598		Expense per square foot of building area	$0.081

[1] County staff has estimated that the annual cost to maintain the public right of way within the MAP upon full build-out will total $1.63 million per year, excluding $170,000 to maintain landscaping within the ROW. It is assumed that the landscaping costs will be funded by the Services CFD. For purposes of this analysis, it has been assumed that costs will be phased-in proportionate to the percent of total development that is built within the MAP.

Does not include only resident-serving expenses, parks, open space, or trail maintenance expenses.

Table 7b
Estimated Annual General Fund Expenditures
Metro Air Park Fiscal Impact Analysis
Sacramento County, CA

Working Draft
11/10/2021

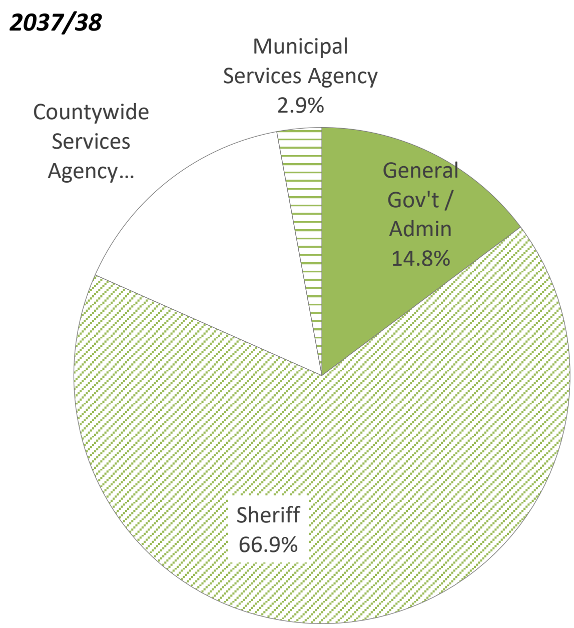
Expenditure (2021 dollars)	*Estimating Factor* [1]		FY 2027/28	FY 2037/38	FY 2047/48
Demographic Measure	*resident equivalents* [2]		*6,612*	*10,951*	*14,578*
General Government/Administration	*$55.18*	*/res eq*	$365,000	$604,000	$804,000
Sheriff	*$249.75*	*/res eq*	$1,651,000	$2,735,000	$3,641,000
Countywide Services Agency	*$57.57*	*/res eq*	$381,000	$630,000	$839,000
Municipal Services Agency	*$10.92*	*/res eq*	$72,000	$120,000	$159,000
Total General Fund Expenditure			**$2,469,000**	**$4,089,000**	**$5,443,000**
Road Fund Maintenance Expenses [3]	*$0.08*	*/sq. ft. of MAP building area*	**$826,000**	**$1,293,000**	**$1,626,000**
Total General and Road Fund Expenses			**$3,295,000**	**$5,382,000**	**$7,069,000**

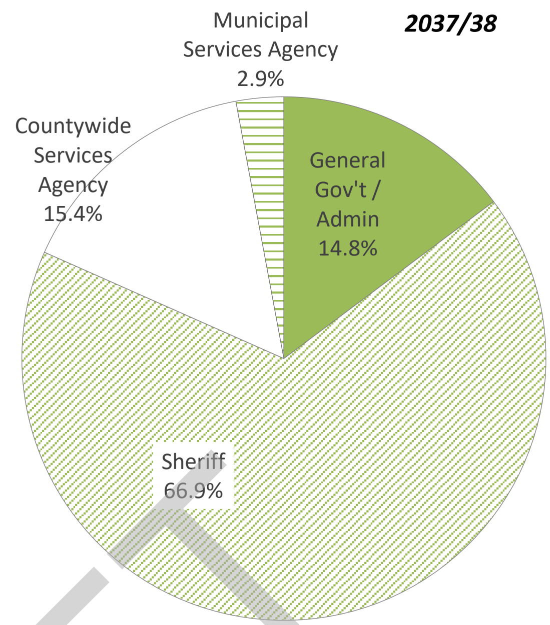
[1] Table 7a.
[2] Table 3.
[3] Table 7a. Annual maintenance cost estimates upon buildout include the following:

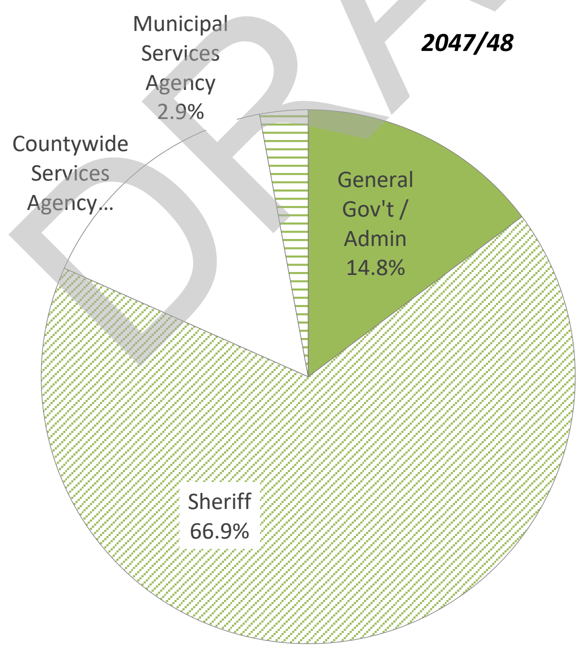
Lane thoroughfare pavement	$642,470.4	
Lane Arterial Pavement	$214,368.0	
Lane 48' Pavement	$643,104.0	
Curb and Gutter, all streets	$24,393.6	
Median curb and mowing strip, thoroughfare and arterial	$7,550.4	
16 traffic signals	$92,752.0	
Culverts and retaining walls	TBD	(will be added to maintenance costs when estimates are available)
Sidewalk at traffic signal corners	$960.0	
Total	$1,625,598	

Annual maintenance costs to be funded by Services CFD and not the Road Fund: Landscaping maintenance of $170,227.2

Exhibit C: Composition of Annual General Fund Fiscal Expenditures to Sacramento County from Metro Air Park







Appendix 1
Calculation of Net Estimated Variable Expenses Sacramento County General Fund
Metro Air Park Fiscal Impact Analysis *Working Draft*
Sacramento County, CA *11/10/2021*

Department / Expenditure Category	Sacramento County 2019-20 Adopted General Fund Budget Gross Expenses (1)	Sacramento County 2019-20 Adopted General Fund Budget Net Offsetting Revenue (1)	Adjusted Net Expense	Estimated Fixed or One-Time Costs (2)	Net Estimated Variable Expense
General Government/Administration					
Assessor	$19,505,935	($8,958,842)	$10,547,093	$0	$10,547,093
Board of Supervisors	$3,686,361	$0	$3,686,361	($3,686,361)	$0
District Attorney	$78,122,734	($15,583,658)	$62,539,076	$0	$62,539,076
Civil Service Commission	$435,223	($60,000)	$375,223	$0	$375,223
Office of Labor Relations	$422,253	($422,253)	$0	$0	$0
Clerk of the Board	$2,116,210	($777,638)	$1,338,572	($1,338,572)	$0
Contribution to LAFCO	$239,500	$0	$239,500	($239,500)	$0
County Counsel	$6,039,950	($3,882,680)	$2,157,270	($2,157,270)	$0
County Executive	$1,209,862	$0	$1,209,862	($1,209,862)	$0
County Executive Cabinet	$4,008,409	($3,573,815)	$434,594	($434,594)	$0
Criminal Justice Cabinet	$0	$0	$0	$0	$0
Emergency Operations	$5,470,777	($4,438,370)	$1,032,407	($1,032,407)	$0
Financing - Transfers / Reimbursement	$12,605,364	$0	$12,605,364	($8,000,000)	$4,605,364
Fair Housing Services	$190,648	$0	$190,648	$0	$190,648
Non-Departmental Costs/ GF	$30,388,674	($435,466)	$29,953,208	($5,626,119)	$24,327,089
Subtotal	**$164,441,900**	**($38,132,722)**	**$126,309,178**	**($23,724,685)**	**$102,584,493**
Appropriation for Contingency[3]	$986,199	$0	$986,199	$0	$986,199
Internal Services Agency					
County Clerk/Recorder	$9,811,528	($9,808,204)	$3,324	($3,324)	$0
Clerk/Recorder Fees	$2,430,118	($2,430,118)	$0	$0	$0
Department of Finance	$28,107,753	($26,897,066)	$1,210,687	($1,210,687)	$0
Department of Revenue Recovery	$7,558,750	($7,558,750)	$0	$0	$0
Data Processing Shared Systems	$10,613,507	($106,778)	$10,506,729	($10,506,729)	$0
Office of Compliance	$0	$0	$0	$0	$0
Office of Inspector General	$130,000	$0	$130,000	($130,000)	$0
Personnel Services	$16,287,621	($16,287,621)	$0	$0	$0
Subtotal	**$74,939,277**	**($63,088,537)**	**$11,850,740**	**($11,850,740)**	**$0**
Sheriff[4]					
Office of the Sheriff	$1,842,090	$0	$1,842,090	$0	$1,842,090
SSD Restricted Revenue	$3,155,000	($3,155,000)	$0	$0	$0
Department & Support Services	$64,937,654	($6,760,127)	$58,177,527	$0	$58,177,527
Correctional Services	$118,785,837	($19,178,871)	$99,606,966	$0	$99,606,966
Field & Investigative Services	$155,139,575	($47,977,612)	$107,161,963	$0	$107,161,963
Contract/Regional	$32,014,131	($22,382,423)	$9,631,708	$0	$9,631,708
Correctional Health Services	$53,699,761	($6,485,025)	$47,214,736	$0	$47,214,736
Subtotal	**$429,574,048**	**($105,939,058)**	**$323,634,990**	**$0**	**$323,634,990**

Appendix 1
Calculation of Net Estimated Variable Expenses Sacramento County General Fund
Metro Air Park Fiscal Impact Analysis *Working Draft*
Sacramento County, CA *11/10/2021*

Department / Expenditure Category	Sacramento County 2019-20 Adopted General Fund Budget Gross Expenses [1]	Sacramento County 2019-20 Adopted General Fund Budget Net Offsetting Revenue [1]	Adjusted Net Expense	Estimated Fixed or One-Time Costs [2]	Net Estimated Variable Expense
Countywide Services Agency					
AG Comm-Sealer of Wts & Measures	$5,267,376	($3,971,959)	$1,295,417	$0	$1,295,417
Child Support Services	$39,662,326	($39,662,326)	$0	$0	$0
1991 Realignment	$358,702,458	($358,702,458)	$0	$0	$0
Contribution to the Law Library	$276,878	($265,050)	$11,828	$0	$11,828
Cooperative Extension	$421,621	$0	$421,621	$0	$421,621
Coroner	$7,909,719	($1,699,066)	$6,210,653	$0	$6,210,653
Court/County Contribution	$24,513,756	$0	$24,513,756	($24,513,756)	$0
Court/Non-Trial Court Funding	$8,980,748	$0	$8,980,748	($8,980,748)	$0
Court Paid County Services	$1,233,666	($1,233,666)	$0	$0	$0
Dispute Resolution Program	$660,000	($660,000)	$0	$0	$0
EMD Special Program Funds	$405,620	($405,620)	$0	$0	$0
Grand Jury	$296,292	($19,151)	$277,141	($277,141)	$0
Health and Human Services	$205,458,161	($167,861,529)	$37,596,632	$0	$37,596,632
Child, Family, and Adult Services	$124,232,381	($114,381,103)	$9,851,278	$0	$9,851,278
Health-Medical Treatment Payments	$500,000	$0	$500,000	$0	$500,000
Human Assistance - Admin	$311,668,560	($286,893,628)	$24,774,932	$0	$24,774,932
Human Assistance - Aid Payments	$179,223,926	($158,720,063)	$20,503,863	$0	$20,503,863
Conflict Criminal Defenders	$10,790,894	($318,000)	$10,472,894	$0	$10,472,894
Public Defenders	$35,007,675	($1,822,870)	$33,184,805	$0	$33,184,805
IHSS Provider Payments	$33,177,060	($33,177,060)	$0	$0	$0
Juvenile Medical Services	$8,461,917	($3,550,000)	$4,911,917	$0	$4,911,917
Mental Health Services Act	$98,741,341	($98,741,341)	$0	$0	$0
Probation	$93,155,278	($26,208,249)	$66,947,029	$0	$66,947,029
Care in Homes and Institutions	$874,982	$0	$874,982	$0	$874,982
Veteran's Facility	$16,452	$0	$16,452	($16,452)	$0
Voter Registration/Elections	$12,933,789	($1,208,490)	$11,725,299	$0	$11,725,299
Wildlife Services	$91,137	($30,404)	$60,733	$0	$60,733
Subtotal	**$1,562,664,013**	**($1,299,532,033)**	**$263,131,980**	**($33,788,097)**	**$229,343,883**
Municipal Services Agency					
Animal Care and Regulation	$11,738,636	($1,205,409)	$10,533,227	$0	$10,533,227
Community Development	$0		$0	$0	$0
Community Investment Program	$168,395	($168,395)	$0	$0	$0
Development and Code Services	$49,903,144	($49,903,144)	$0	$0	$0
Planning and Environmental Review	$11,050,465	($8,979,655)	$2,070,810	$0	$2,070,810
Code Enforcement	$10,280,166	($4,747,402)	$5,532,764	$0	$5,532,764
South Sacramento Conservation Admin	$204,442	($204,442)	$0	$0	$0
Neighborhood Revitalization	$1,077,561	($1,077,561)	$0	$0	$0
2011 Realignment	$325,172,799	($325,172,799)	$0	$0	$0
Department of Transportation	$59,712,777	($59,712,777)	$0	$0	$0
Public Safety Sales Tax	$131,830,208	($131,830,208)	$0	$0	$0
Roads	$106,415,950	($106,415,950)	$0	$0	$0
Transportation - Sales Tax	$41,204,699	($41,204,699)	$0	$0	$0
Subtotal	**$748,759,242**	**($730,622,441)**	**$18,136,801**	**$0**	**$18,136,801**
Total General Fund Expenditures	**$2,980,378,480**	**($2,237,314,791)**	**$743,063,689**	**($69,363,522)**	**$673,700,167**

Appendix 1
Calculation of Net Estimated Variable Expenses Sacramento County General Fund
Metro Air Park Fiscal Impact Analysis *Working Draft*
Sacramento County, CA *11/10/2021*

Department / Expenditure Category	Sacramento County 2019-20 Adopted General Fund Budget Gross Expenses [1]	Sacramento County 2019-20 Adopted General Fund Budget Net Offsetting Revenue [1]	Adjusted Net Expense	Estimated Fixed or One-Time Costs [2]	Net Estimated Variable Expense
Sacramento County Budget Schedule 8 Line Items Not Included in the Fiscal Impact Analysis					
Plant Acquisition (capital construction - buildings)	$83,884,267	($83,884,267)			
Economic Development	$69,969,767	($69,969,767)			
Technology Cost Recovery Fee	$1,546,288	($1,546,288)			
Building Inspection	$22,280,653	($22,280,653)			
Affordability Fee	$2,906,799	($2,906,799)			
Roadways	$7,595,106	($7,595,106)			
Environmental Management	$23,018,609	($23,018,609)			
First 5 Sacramento Commission	$24,466,549	($24,466,549)			
Library	$1,215,684	($1,215,684)			
Non-Department Revenues - General Fund (in Uses)	-$9,482,211				
Regional Parks	$17,418,559	($7,794,249)	$9,624,310		
Fish and Game	$24,414	($24,414)			
Golf	$7,756,243	($7,756,243)			
TOT (under Cultural Services)	$1,545,099	($1,545,099)			
Debt Service - Teeter Plan	$31,075,181	($31,075,181)			
Subtotal	**$285,221,007**				
Total, All Expenditures	**$3,265,599,487**				

1. Expenses shown in Section B *Schedule 8, Detail of Financing Uses by Function, Activity, and Budget Unit.* Offsetting revenues from backup tables in Sections D - I. Sacramento County 2019-20 Adopted Budget.
2. KMA estimate based on Goodwin Consulting Group, Inc. NewBridge Specific Plan Fiscal Impact Analysis, 2019.
3. Contingency not included in total.

4. Detailed budget information for Sheriff Department from Section D - Elected Officials of the Sacramento County 2019-20 Adopted Budget.

COUNTY OF SACRAMENTO
CALIFORNIA

For the Agenda of:
February 9, 2022
Timed: 2:00PM

To: Board of Supervisors

Through: Ann Edwards, County Executive

Bruce Wagstaff, Deputy County Executive, Social Services

From: Ethan Dye, Director, Department of Human Assistance

Subject: Update on Project Roomkey Sheltering Efforts; Approve An Appropriation Adjustment Request In The Amount Of $7,451,434 (AAR No. 2022-2032) To Continue COVID-19 Response Efforts

Districts: All

RECOMMENDED ACTION

Approve an Appropriation Adjustment Request in the amount of $7,451,434 (AAR No. 2022-2032) to continue COVID-19 response efforts.

BACKGROUND

In March 2020, communities across California began operating locally driven Project Roomkey (PRK) initiatives to provide emergency, non-congregate shelter for vulnerable persons experiencing homelessness in response to the COVID 19 health crisis. The Department of Human Assistance (DHA), operating in a multi-agency collaboration, identified four motels across the County to provide quarantine and isolation units for unsheltered persons infected with the virus and those at risk of adverse effects if they contracted the virus. PRK participants were provided shelter and wraparound services including meals, comprehensive health services, and connections to community-based housing programs.

Funding to help communities address the impacts of COVID-19 on people experiencing homelessness or at risk of homelessness has become available from a variety of sources, including one-time funding allocations from Federal and State agencies. On August 24, 2021, the Board of Supervisors authorized DHA to accept all additional funding that would become available through State, Federal, and other entities to support continued PRK operations, emergency services, and rehousing supports for individuals experiencing homelessness in response to the COVID-19 health crisis. These funds in combination with the Federal Emergency Management

Agency (FEMA) reimbursements have allowed DHA to continue to provide PRK shelter and supportive services from April 2020, to present.

As the need for COVID-19 prevention declines, DHA is working thoughtfully to ramp down PRK sites and continue to use available funds to support and rapidly rehouse PRK households. To ensure safe and stable exits for participants and stagger the motel closure dates, DHA plans to cease sheltering operations under the following timeline:

La Quinta Inn - closure date of March 15, 2022
Vagabond Inn - closure date of April 15, 2022
Comfort Inn - closure date of May 31, 2022

During the ramp down process, the multi-agency collaboration of DHA, the City of Sacramento, and Sacramento Steps Forward will continue to ensure rehousing efforts are the primary focus for all PRK participants. Specific rehousing strategies include the following:

1) Connecting clients to existing and expanded housing programs
2) Problem solving, navigation and support through case conferencing
3) Targeted matches to Permanent Supportive Housing (PSH), Housing Choice Vouchers and Emergency Housing Vouchers (EHV)
4) Landlord engagement to expand the inventory of housing

The cost for this extension, including motel leases, support services and security through May 31, 2022, is $7,451,434. These costs were not anticipated nor included in the FY 2021-22 September Adopted Budget. The Appropriation Adjustment Request (AAR) of $7,451,434 will ensure DHA has authority to pay the motel leases and contracted providers who are providing the services through May 31, 2022. To maximize this funding, DHA will make every effort to recover all eligible costs incurred through May 31, 2021, through FEMA reimbursement.

FINANCIAL ANALYSIS

This recommendation has no General Fund impact. The Department expects Emergency Solutions Grant (ESG) II and Community Development and Block Grant (CDBG) funding in the amount of $4,345,358 from Sacramento Housing and Redevelopment Agency (SHRA). The balance of $3,106,076 is estimated FEMA reimbursement. The $7,451,434 in appropriations and revenues are not included in the FY 2021-22 September Adopted Budget. The Department requests approval of an Appropriation Adjustment Request (AAR) in the amount of $7,451,434, which is attached.

DHA did not include FEMA reimbursement in the FY 2021-22 Adopted Budget as a source of funding for Project Roomkey due to uncertainty associated with the estimates and timing of FEMA reimbursement receipts. Since the adoption of FY 2021-22 Budget, DHA has received $5,028,665 in unbudgeted prior year FEMA reimbursement for expenditures that were already incurred. Therefore, FEMA reimbursement is included as a source of funding in the attached appropriation adjustment.

Attachment:
Appropriation Adjustment Request (AAR No. 2022-2032)

COUNTY OF SACRAMENTO

1. REQUEST NUMBER
2022 - 2032

APPROPRIATION ADJUSTMENT REQUEST

2. Department Name	Department Name (if applicable)	3. Date
Human Assistance		

4. REQUEST ADJUSTMENT OF APPROPRIATION AS LISTED BELOW

	FUND#	INDEX#	ACCOUNT	ACCOUNT TITLE	AMOUNT
SOURCE OF FINANCING	001A	8108120	95960000	FEMA Reimbursement	3,106,076
	001A	8108120	95959100	Misc. Federal Aid	4,345,358
USE OF FINANCING	001A	8108120	20257100	Security Svcs	316,178
	001A	8108120	30310800	Welf Asst Pymt (Motel vouchers)	257,040
	001A	8108120	30360000	Community based orgs	6,876,216

5. JUSTIFICATION (Attach Memo if Necessary)

See attached Board letter for updates on PRK sheltering efforts.

Department Head	Ethan Dye	Department Head (if applicable)	
By: Ethan Dye	Date 14 DEC 21	By:	Date

6. ACTION

- [ ] Dept. Head Approval(s) only required
- [x] Board Action Required
- [x] Four-Fifths Vote Required

Auditor-Controller
By: Salvador Abundis Date 1.12.22

7. APPROVAL

- [x] Approve
- [ ] Disapprove

County Executive
By: Cristina Vargas Date 1.10.22

8. RESOLUTION

On a motion by Supervisor ______________________, seconded by Supervisor ______________________

the foregoing resolution was passed and adopted by the BOARD OF SUPERVISORS of the County of Sacramento, State of California, this ____________ day of ______________ 19___ by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

Resolution Number ____________

____
CHAIR OF THE BOARD OF SUPERVISORS OF SACRAMENTO COUNTY CALIFORNIA

(SEAL)

ATTEST: ______________________________
CLERK OF THE BOARD OF SUPERVISORS

Distribution (Board of Supervisor Approved)
White - Board of Supervisors
Blue - Department Approved Copy
Green - County Executive File Copy
Yellow - Auditor-Controller Approved Copy
Pink - Auditor-Controller Control Copy
Goldenrod - Department Control Copy

FORMAARS DATE REVISED 11/12/92

CENTRAL STORE # 7679

SACRAMENTO COUNTY

Project Roomkey Sheltering and Ramp Down Update

February 9, 2022

Ethan Dye, Director
Department of Human Assistance

Program Recap

- At the onset of the COVID-19 pandemic in 2020, California Policymakers created Project Roomkey (PRK) to provide emergency, non-congregate shelter to vulnerable unsheltered persons at high risk for medical complications should they become infected.

- Through support from the Board of Supervisors, DHA expanded shelter capacity through PRK by leasing four motel sites across the County, approximately 600 rooms, to offer quarantine and isolation units to those most at risk. Three motels with 391 units remain in use.

- As of January 19 2022, 1,373 individuals have been served.

PRK Sheltering Services

Sheltering services include:

- Private room
- Three daily meals
- Health services and staffing to assist shelter participants
- Connections to community resources and housing programs
- Security

PRK Monthly Cost Per Site

Site	Open Date	Capacity	Cost per month
Comfort Inn	4/8/2020	116	$487,884
La Quinta Inn	5/1/2020	168	$695,832
Vagabond Inn	6/5/2020	107	$451,893
Total	-	391	$1,635,609

- Based on 31 days

- Funding sources include one-time allocations from Federal and State agencies in combination with the Federal Emergency Management Agency (FEMA) reimbursements
- Total spent up to 11/30/2021 is $32,081,448

Re-housing

- Re-housing strategies include:
    - Comprehensive case conferencing with provider supported by County, City and Sacramento Steps Forward (SSF)
    - Connecting PRK participants to existing and expanded re-housing programs
    - Flexible problem solving funds and housing navigation
    - Targeted matches to Permanent Supportive Housing (PSH)
    - Increased funding to serve an additional 200 households through the Flexible Housing Pool (FHP)

Rehousing Plans

- Currently there are 333 PRK participants in prevention units across 3 motels.
- The majority of participants are working with either rehousing providers or DHA’s Flexible Housing Pool (FHP) on finding their right path to housing
- To date, there have been 180 PRK participants in FHP
  - 121 have been housed
  - 59 remain in the motels and are pending housing

Closure Dates

Site	Scheduled Close Date	Total Rooms
Comfort Inn	5/31/2022	116
La Quinta Inn	3/15/2022	168
Vagabond Inn	4/15/2022	107

PRK Participant Transition Plan

Guest Cohort	Transition Plan
Guests with housing identified that's available prior to motel closure date	Rehousing providers will support guests to exit hotel directly to housing
Guests with housing identified for move in that's not available until after motel closure date (but is expected to be available within 21 days after)	Guests will receive motel voucher as rehousing providers work with them to get ready to exit to identified housing as soon as it's available
Guests without housing identified at the time of PRK closure	Where possible, guests will be transferred to another still-open PRK motel as rehousing providers work with them to get ready to exit directly to identified housing as soon as it's available Or Where capacity allows, transfer to congregate or scattered site emergency shelters (including transportation) Or 21-day motel voucher to be used in motel in the area where guest was residing prior to entering PRK motel + transportation from PRK to that motel

Ramp Down Timeline

- 45 days prior to motel closure- All PRK participants and rehousing partners will be notified about decreased capacity.
  - Movement will not be isolated to the motel slated for closure. All PRK participants will be evaluated for housing prospects and moved accordingly
- 30 days prior to motel closure, PRK partners will evaluate existing shelter capacity
- 20 days prior to closure, PRK shelter staff will move participants identified for an extended stay to the PRK site(s) still open
- 10 days prior to closure, DHA staff will reserve space in local motels for those exiting with a motel voucher.
- The final 10 days will be slated for transporting persons to their next destination. PRK shelter staff will remove all administrative and supportive materials from the site.

From: Karen Clark
To: Clerk of the Board Public Email
Subject: Supervisor Meeeting 2/8/22 - Item No. 2 Project Roomkey
Date: Monday, February 7, 2022 11:16:02 AM

Dear Sacramento County Supervisors,

These are comments on the County's request for approximately $7.4M to continue Project Roomkey. **Your attention to rehousing efforts is needed immediately.**

As a resident at the Comfort Inn hotel since April 28, 2020, your rehousing efforts are a total failure. I have addressed my concerns before to Supervisor Notti, but nothing has changed. My emails are forwarded to some agency yet no changes are made. We want homes!

When I first met with a caseworker in 2020 from NextMove, I was told their agency was contracted to work with people who had barriers to rehousing, eg criminal records, evictions. The only "help" I've received are some links to credit bureaus. I work with three agencies--SHRA, NextMove, and Hope Cooperative--and still no eviction removal assistance.

Since receiving my emergency housing voucher in October, I have been denied housing three times because of my eviction. I have requested an eviction negotiator to help settle the debt and remove the eviction from public record.

I still have NOT received any help. Why?

You've asked us to find our own housing but you don't provide the tools we need such as laptops or phones. Why are taxpayers paying rehousing agencies if we have to find suitable housing on our own? Why are EHV recipients having to pay rental application fees when funding is provided for the same through the American Rescue Plan?

This last week I toured a prospective rental with a private owner. He was willing to rent to me. I received the lease for review and signature. Unknown to me, the landlord was in an urgent hurry for me to sign the lease. As this lease had three parties involved, I requested NextMove to provide documentation on my rental amount, where and when to pay and what my obligations would be to NextMove. **I never received this documentation. I still don't know what my rent was going to be.** The landlord cancelled the lease and they gave my apartment to another client. This all happened in a 24-hour period. Who signs a lease without knowing their financial obligation?

Taxpayers expect their money to be spent wisely. I was a taxpayer for over 50 years. I've now been without my own home for almost five years. We deserve to receive competent services for taxpayer money spent. Do better.

Karen Clark

From:	Mike Jaske
To:	Nottoli, Don; Kennedy, Supervisor; Supervisor Serna; Rich Desmond; Frost, Supervisor; Clerk of the Board Public Email
Cc:	Dye, Ethan; Wagstaff, Bruce; Halcon, Emily; Sloan, Rebecca; Riley, Keaton; Nava, Lisa; McCarthy-Olmstead, Vanessa; Hedges, Matt
Subject:	SacACT Comments on February 9 BoS Agenda Item #2
Date:	Tuesday, February 8, 2022 3:24:48 PM
Attachments:	2022-02-09_item02_RoomKey Funding_SacACT letter.pdf

Clerk of the Board,

Attached are the comments of SacACT Homelessness & Housing Committee on the Board of Supervisor February 9, 2022 meeting - Agenda item #2.

Please post in public comments on this item.

Thank you.

Mike Jaske

SACRAMENTO ACT
916.389.8990

SACACT.ORG

February 8, 2022

Supervisor Don Nottoli, Chair
Sacramento County Board of Supervisors
700 H Street, Suite 2450
Sacramento, CA 95814

Re: February 9 Agenda item #02 – Project RoomKey Funding

Supervisor Nottoli:

Sacramento Area Congregations Together Homelessnss & Housing Committee (SacACT) supports the extension of funding beyond current contracts for the three remaining motels that are still housing vulnerable homeless people; however, SacACT is opposed to the manner in which County staff propose to terminate any housing support after a final 21 day motel voucher.

According to the January 21, 2022, weekly report on the Covid-19 Homelessness Response program, there are a significant percentage of total persons resided in the Project RoomKey program who have lived there for six months or more. The following table is taken from this most recent report.

Length of Stay	Total Served	Individuals who: have exited	are in shelters
30 days or less	325	284	41
31 to 60 days (1-2 months)	209	137	72
61 to 90 days (2-3 months)	121	110	11
91 to 180 days (3-6 months)	245	226	19
181 to 365 days (6 months-1 year)	321	199	122
366 to 730 days (1-2 years)	167	97	70
Total	**1389**	**1054**	**335**

Source: Weekly Progress Report[i], 1/21/22, page 3.

A frequent theme of these periodic reports is the great difficulty in re-housing individuals. As of the January 14, 2021, data in the report, there are 192 persons residing in them for more than six months. 70 people living there now have lived in these motels for more than a year.

SacACT questions whether program staff can assure that all of these 335 people can be rehoused by May 31, 2022. For those who cannot, and will be issued a 21-day motel voucher, how many will return to the street? If re-housing professionals cannot place these people any faster than 6-24 months, what reasonable expectation is there that these people can find housing on their own in a 21-day span of time?

SacACT has supported the original development and numerous extensions of the overall Covid-19 Homelessness Response Plan. **SacACT strongly opposes the features of this proposal that would result in any vulnerable people being returned to the street.** Some other accommodation must be made to continue housing for these people, if not in these specific motels, then in some other form of housing.

This is the time for supervisors to show true compassion for the most vulnerable and set aside additional funds beyond those requested by staff for these specific motel contract extensions. Supervisors should direct staff to design and propose funding levels that **assure all of these people will remain housed** in some manner and not be returned to the street.

Mike Jaske, Co-chair
SacACT Homelessness & Housing Committee

Cc: Supervisor Serna
Supervisor Desmond
Supervisor Kennedy
Supervisor Frost
Bruce Wagstaff, Deputy County Executive
Emily Halcon, Director of Homeless Initiatives
Ethan Dye, Director of Department of Human Assistance
Clerk of the Board

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[i] https://sacramentostepsforward.org/wp-content/uploads/2022/01/41-Homeless-Response-Progress-Report_1.21.2022.pdf

ITEM 2 BOS PUBLIC COMMENT 003

From: bob erlenbusch
To: Clerk of the Board Public Email; schmidth@saccounty.net; Nottoli, Don; Nava, Lisa; Kennedy, Supervisor; Hedges, Matt; Frost, Supervisor; Riley, Keaton; cavanaughc@saccounty.net; Wagstaff, Bruce; Sloan, Rebecca; Edwards, Ann; Rich Desmond; McCarthy-Olmstead, Vanessa; Supervisor Serna; Halcon, Emily
Subject: Board of Supervisors- 2/9 Agenda- Item #2- Project Roomkey
Date: Tuesday, February 8, 2022 4:03:39 PM
Attachments: Outlook-1466610323.png

Board of Supervisors,

While the Sacramento Regional Coalition to End Homelessness [SRCEH] supports the extension of Project Roomkey [PRK], we strongly oppose the "ramping down" of the 3 PRK motels.

The staff's logic is that COVID is "the need for COVID-19 prevention declines, DHA is working thoughtfully to ramp down PRK."

We feel strongly that this basis for ramping down PRK is fundamentally flawed for the following reasons:

1. **COVID cases are still significantly high:** the County's data [https://sac-epidemiology.maps.arcgis.com/apps/MapSeries/index.html?appid=e11bc926165742ab99f834079f618dad] while showing that there has been a significant decline in the daily average of cases, from 4800 on 1/5/22 to 890 on 2/4/22, this latter daily average is still almost 4 times higher than the daily average in November [222 on 11/7] and December [228 on 12/6] 2021. And these figures are for the housed population of Sacramento County. We do not know what the daily rate is for our unhoused neighbors, but if we extrapolate the figures above, it is reasonable to assume that the average daily rate is still high for people experiencing homelessness. Given this, along with reports from the field that direct service providers are still seeing high numbers of not only consumers but also staff that are sick from Omicron, it is clear that the logic of ramping down PRK is flawed.
2. **County is working against the City:** At the 2/7/22 5 pm City Council meeting, agenda item #10 is on the consent calendar to continue their Motel Voucher Program. The County's action of ramping down PRK is at cross purposes of the City's and further underscores the need for a City-County Partnership Agreement so that both jurisdictions are moving in the same direction.
3. **2022 Point In Time Count will show increase in unhoused population in the County:** The 2022 Point In Time Count begins in two weeks, and all stakeholders agree that the number of our unhoused neighbors has increased significantly.

Thus, for these three common sense reasons, *now is not the time to ramp down PRK.*

However, if the board does vote to support this item in terms of ramping down PRK, the Board has the obligation to the people currently in PRK and the community for a detailed plan of exactly how many people in these 3 PRK motels will be affected; what the specific plan is to place these people in affordable housing - and not just safeground or safe parking programs and to track how many this decision made homeless again.

I look forward to your response.

Bob Erlenbusch

Founding Guiding Principle:
Public policymakers and the community must address the underlying issues of structural racism and its intersections with class, gender, gender identity, sexual orientation, age, disabilities, and the political, economic and social structures that create and perpetuate hunger, homelessness, the lack of decent affordable housing and disinvestment in neighborhoods of color

Bob Erlenbusch
Executive Director
Sacramento Regional Coalition to End Homelessness [SRCEH]
Mailing Address:
1026 Florin Road, #349
Sacramento, CA 95831

M: 916.889.4367
http://secure-web.cisco.com/19TAvm2QsjXfc-5Xmmhp3Z4CMdEmFckxRJjBBFvH1-3a-t0iF0NHifA48gaMoYR5sCNLXIuGefFzS-84OejAt0UNh_EyXYBkjObO906SoSF9-A3qLQDZmPNvGnflmbV3rOGfc1Mnje8jUtTpAmmdGg7IN5ZRV8_F25RWM_10ZoxvFGjoaGOezN39ZenlCTb8l2TuAd_F9NRTssjuDxvh5IK8HmqM-A-TPtDTHU97GxgapYdQfHYlCpS4GviryYFCiteQYgDEVs8AC8jnY7Ij2Pv7uYlFVmEstq05PXSBXMNxZL22CWY-E0x3R4IFtWflp/http%3A%2F%2Fwww.srceh.org

From:	Faye Wilson Kennedy
To:	Serna. Phil; Clerk of the Board Public Email; Rich Desmond; Kennedy. Supervisor; Frost. Supervisor; Nottoli. Don
Cc:	Theresa Clift; Genoa Barrow; Chris Nichols; Marcus D. Smith; Alexandra Yoon-Hendricks; Sarah Mizes-Tan; Brandi Cummings; Giacomo > Luca
Subject:	Board of Supervisors- 2/9 Agenda- Item #2- Project Room Key
Date:	Wednesday, February 9, 2022 9:55:14 AM
Importance:	High

Board of Supervisors,

While the Sacramento Poor People's Campaign (Sac PPC) strongly supports the extension of Project Room Key [PRK], **we are adamantly oppose to the "ramping down" of the 3 Project Room Key motels.**

Additionally, we feel strongly that the basis for ramping down PRK is fundamentally flawed for the following reasons:

1. **2022 Point In Time Count will show increase in unhoused population in the County:** The 2022 Point In Time Count begins in two weeks, and all stakeholders agreed that the number of our unhoused neighbors has increased significantly.
2. **COVID cases are still significantly high: the County's data** [https://sac-epidemiology.maps.arcgis.com/apps/MapSeries/index.html?appid=e11bc926165742ab99f834079f618dad.
3. **County and City are not working collaboratively to solve and address this issue:** At the 2/7/22 5 pm City Council meeting, agenda item #10 is on the consents calendar to continue their Motel Voucher Program. The County's action of ramping down PRK is at cross purposes with the City's and further underscores the need for a City-County Partnership Agreement so that both jurisdictions are moving in the same direction.

Finally, if the board does vote to support this item in terms of ramping down PRK, the Board has the moral obligation to the people currently in PRK and the community for a detailed plan of exactly how many people in these 3 PRK motels will be affected; what the specific plan is to place these people in **affordable permanent housing - and not just safe ground (tents) or safe parking (vehicles) programs and to track how many this decision made homeless again.**

Thank you for your consideration and leadership.

Sacramento Poor People's Campaign (Sac PPC)

From:	niki jones
To:	Kothari, Chevon; Supervisor Serna; Kennedy, Supervisor; Rich Desmond; Frost, Supervisor; Nottoli, Don; Clerk of the Board Public Email; County Executive; Wagstaff, Bruce; Halcon, Emily; farlaandneil@gmail.com
Cc:	Crystal Sanchez; Decarcerate Sacramento; Joe Smith; bob erlenbusch; Mike Jaske; Faye Kennedy; Sacramento Tenants Union
Subject:	Encampments and Covid-19 (Items not on the agenda 2/9/22)
Date:	Wednesday, February 9, 2022 10:29:13 AM
Attachments:	Letter_COVID-19 Surge Final.docx.pdf

Good Morning!

Please see attached for recommendations from a broad coalition. Though it's not included in the letter, regarding Item #2, we recommend continued funding of Project Roomkey until appropriate next steps for housing are found for the individuals in the program. Wishing you all the best.

Sincerely,

Niki Jones

Sacramento Homeless Organizing Committee

Decarcerate Sacramento

MH First Sacramento

February 9, 2022

County of Sacramento, Department of Health Services
Attn: Chevon Kothari, Director
7001-A East Parkway, Suite 1000
Sacramento, California 95823
Via email KothariC@saccounty.net

CC
Hon. Phil Serna, District 1 Supervisor, Sacramento County Board of Supervisors
Hon. Patrick Kennedy, District 2 Supervisor, Sacramento County Board of Supervisors
Hon. Rich Desmond, Vice Chair & District 3 Supervisor, Sacramento County Board of Supervisors
Hon. Sue Frost, District 4 Supervisor, Sacramento County Board of Supervisors
Hon. Don Nottoli, Chair & District 5 Supervisor, Sacramento County Board of Supervisors
Ann Edwards, County Executive, Sacramento County
Bruce Wagstaff, Deputy County Executive for Social Services & Interim Director for Public Safety and Justice, Sacramento County

Subject: Immediate Action Needed – COVID-19 Crisis Among People in Unsheltered Homelessness

Dear Ms. Kothari,

We, the undersigned agencies, are writing to request immediate action from the County of Sacramento Department of Health Services (DHS) to respond to the rapid spread of COVID-19 among people experiencing unsheltered homelessness in Sacramento County. Insufficient support is being provided to people experiencing unsheltered homelessness to avoid contracting COVID-19, access testing in a timely manner, isolate safely, and recover.

The undersigned organizations include service providers and advocates who serve and partner with people experiencing unsheltered homelessness in Sacramento County. As mentioned in previous email communications, meetings with DHS staff and at the January 2022 Sacramento County Board of Supervisors Meeting, we are hearing stories daily of people who lack support and adequate resources to protect themselves and others from COVID-19. Reports from encampments and service providers indicates rapid spread of COVID-19, although data on infection rates among people experiencing unsheltered homelessness is not available. A recent review of data from UC Davis Health (UCDH) showed a 20% increase in patients experiencing homelessness accessing the emergency room or admitted to the hospital from November to December 2021. While the UCDH data does not indicate COVID-19 diagnosis, the trend mirrors Sacramento's COVID-19 case rates. The 7-day average case rate on November 30, 2021 was 11.9 and rose to 90.1 on December 31, 2021, an increase of 657%.[1]

We urge DHS to take the following actions immediately as the minimum response to the COVID-19 crisis among people experiencing unsheltered homelessness:

---

[1] Sacramento County Public Health. (2022, January 12). *Sacramento County Public Health Epidemiology COVID-19 Dashboard* [Data Dashboard]. Sacramento County Public Health Epidemiology COVID-19 Dashboard. https://sac-epidemiology.maps.arcgis.com/apps/MapSeries/index.html?appid=e11bc926165742ab99f834079f618dad

1. Maintain Basic Infrastructure Supporting Hygiene and Sanitation

People experiencing unsheltered homelessness need access to functioning sanitation stations, personal protective equipment/masks, clean water, and the ability to quarantine or isolate to prevent infection and mitigate the spread of COVID-19.

Service Sanitation Stations and Portable Latrines Daily[2] - Approximately 35 sanitation stations were established across Sacramento to provide a place for people to wash their hands and use the bathroom. While sanitation stations are meant to be serviced regularly, some encampments reported that they have not been serviced in over a month, making them unusable and unhygienic. Servicing includes but is not limited to ensuring functional water taps, cleaning and sanitizing, and refilling soap, drying materials, and bath tissue. [3]

Maintain Distribution of Clean Drinking Water to Encampments – The current levels of water distribution to Loaves & Fishes (2 pallets per week), SANE (15 pallets per week), and other service providers should be maintained, if not increased. The State of California has declared that safe, clean, affordable, and accessible water is a human right,[4] yet unsheltered individuals face worse access to water than the standards set by the United Nations High Commissioner for Refugees.[5] The delivery of water to service providers on a weekly basis is crucial to ensure that individuals experiencing homelessness have access to clean water to use for drinking, cooking, cleaning, and other daily activities that maintain public health.

Maintain Distribution of Garbage Bags to Encampments – The levels of garbage bag distribution to Loaves & Fishes, SANE, and other service providers should be maintained and continued, not reduced. Distributing garbage bags makes it easier to collect trash and maintain sanitation at encampments.

Distribute Personal Protective Equipment – The distribution of clean personal protective equipment, including masks and hand sanitizer, will help to prevent infection and the spread of COVID-19 in encampments. Any distribution of PPE should be coordinated with service providers to ensure that distribution efforts are adequate for the need and staff capacity.

2. Halt Practices that Disperse People Experiencing Homelessness

Dispersing people experiencing unsheltered homelessness disturbs their access to service providers and health care services.[6] People experiencing unsheltered homelessness are in that condition because they have few options for housing, including when diagnosed with COVID-19. We have received reports of individuals being turned away or discharged early from Project RoomKey due to lack of capacity and instructed to isolate in place. Until sufficient safe and adequate housing is available for people experiencing unsheltered homelessness, any practices that disperse encampments should be halted to prevent the spread of COVID-19.

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[2] Center for Disease Control and Prevention (CDC). (2021, November 15). *Cleaning and Disinfecting Your Facility*. Centers for Disease Control and Prevention. https://www.cdc.gov/coronavirus/2019-ncov/community/disinfecting-building-facility.html

[3] Center for Disease Control and Prevention (CDC). (2021, November 4). *Interim Guidance on People Experiencing Unsheltered Homelessness*. Centers for Disease Control and Prevention. https://www.cdc.gov/coronavirus/2019-ncov/community/homeless-shelters/unsheltered-homelessness.html

[4] State water policy., Cal. Assemb. 685 (2011-2012), Chapter 524 (Cal. Stat. 2012). https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201120120AB685

[5] *Basic & Urgent: Realizing the Human Right to Water & Sanitation for Californians Experiencing Homelessness* (p. 38). (2018). The Environmental Law Clinic & Environmental Justice Coalition for Water. https://www.law.berkeley.edu/wp-content/uploads/2018/08/FINAL_EJCW.ELC_.Basic_.UrgentReportonAccesstoWaterandSanitationbyHomelessCalifornians.8.8.18.docx.pdf

[6] Center for Disease Control and Prevention (CDC), 2021

3. **Continued Support of Outreach to Encampments**

Maintain contracts and funding to service providers for outreach to encampments. Outreach efforts deliver resources, education, and harm reduction services to people experiencing unsheltered homelessness. Through these efforts, staff have established relationships with people experiencing homelessness to offer support and respond to immediate needs. Terminating outreach contracts not only stymies the distribution of information about COVID-19, but it also eliminates harm reduction services like training on the proper use of Narcan and overdose prevention, services that advance public health.

The above mentioned actions are the first of many steps to holistically address the health and social needs of people experiencing homelessness. Any solutions and actions adopted by DHS should be made with input from stakeholders and directly impacted individuals. We are available to be thought partners and co-create solutions to craft an immediate response to the needs of the community. To operationalize the above recommendations, we request to meet with DHS and/or the Covid-19 Encampment Response Team on an ongoing basis until the COVID-19 pandemic has subsided.

We and other service providers are doing all that we can to respond to the unsheltered community, however, we lack the capacity and resources to reach everyone who needs our support. As we expressed at the Sacramento County Board of Supervisors meeting held on January 25, 2022, this is a matter of life and death for our community members. A lack of action signals a clear disregard for the lives of individuals experiencing homelessness. We urge DHS to enact meaningful system-wide changes to promote public health, reduce disparities, and ensure that people experiencing unsheltered homelessness have equitable access to services.

Please contact us back via this email should you have any questions and to coordinate an ongoing meeting time.

Thank you for your attention to this critical issue.

Sincerely,

Decarcerate Sacramento
Mental Health First Sacramento
Sacramento Area Congregations Together Homeless and Housing Committee
Sacramento Democratic Socialists of America
Sacramento Homeless Organizing Committee
Sacramento Homeless Union
Sacramento Loaves & Fishes
Sacramento Poor People's Campaign
Sacramento Punks With Lunch
Sacramento Regional Coalition to End Homelessness
Sacramento Solidarity of Unhoused People (Sac SOUP)
Showing Up for Racial Justice (SURJ) Sacramento

SACRAMENTO COUNTY WATER AGENCY
CALIFORNIA

3

For the Agenda of:
February 9, 2022
2:30 PM

To: Board of Directors,
Sacramento County Water Agency

Through: Ann Edwards, County Executive

Michael J. Penrose, Interim Deputy County Executive,
Community Services Agency

From: Michael L. Peterson, Director, Department of Water Resources

Subject: Approve Revisions To The Beach Stone Lakes Flood Insurance And Flood Mitigation Programs

District(s): Nottoli

RECOMMENDED ACTION

1. Authorize the Director of the Department of Water Resources to update the Beach Stone Lakes (BSL) flood mitigation program to fund 100 percent of the eligible mitigation costs on properties within the BSL area, regardless of financial need, and to make retroactive payments to all who have proceeded with an eligible flood mitigation project since January 1, 2017.
2. Authorize the Director of the Department of Water Resources, for properties participating in the Beach Stone Lake flood insurance reimbursement program that either were (or become) mitigated or that do not technically require flood insurance according to the current Federal Emergency Management Agency (FEMA) flood insurance rate map, to cease participation in the program effective for policies renewed after July 1, 2023.
3. Authorize funding to property owners of home elevation projects in the Beach Stone Lakes area in the amount of $12,000 from Fund 315X to help offset living out costs related to lifting of the house. This would also be retroactively available to those who raised their house since January 1, 2017.

BACKGROUND

The Beach Stone Lakes area is a rural agricultural area bounded by the Southern Pacific Railroad embankment on the west (plus the northern triangle between the river and the railroad, due to railroad trestles), the Western Pacific Railroad embankment on the east, Elliott Ranch Road cross levee on the north, and extending south to the southern end of RD1002 (Attachment 1).

Since the 1986 flood event, the Department of Water Resources has sought to mitigate the flood hazard in the Beach Stone Lakes area. There have been numerous reports to the Board over the years since 1986. This report is to follow up on Board report, Item 33, February 23, 2021 (Attachment 2).

The floodplain in the Beach Stone Lakes area is affected by runoff from the Morrison Creek watershed extending from Rancho Cordova to Elk Grove, and from the Cosumnes River watershed extending to the foothills of the Sierra Nevada Mountain Range to the Mokelumne River in the North Delta. The Sacramento River east levee is not certified to federal standards. It is owned and maintained by the State of California, known as Maintenance Area 9. The flood hazard associated with a levee breach on the east side of the Sacramento River is yet to be mapped by FEMA but will likely add 3 feet to the base flood elevation in the Beach Stone Lakes area. Considering the potential disaster, the State should be encouraged to repair and improve that reach of levee. More detail on this matter is posted at www.StormReady.org click on Sacramento County Delta Legacy.

The Beach Stone Lake flood impact mitigation fee, known as Fund 315X (or Zone 11X), established in 1996 and currently averages $329 per acre, is applied to land development in the watershed area of Morrison Creek including its tributaries. These funds are used to mitigate flooding, including but not limited to raising houses, constructing floodwalls or berms around structures, raising wells, filling basements, and adding foundation flood vents. The focus of the mitigation is to reduce flood risk and reduce the cost of flood insurance.

The Cosumnes River watershed is ten times the size of the Morrison Creek watershed (roughly 1800 square miles versus 180 square miles), and the Cosumnes floodplain is the governing force of flooding in the Beach Stone Lakes area. Damaging floods have occurred north of Lambert Road when the Cosumnes River floodplain backs up in the North Delta area and is high enough that water flows south to north over Lambert Road. In combination with flood flows from the Morrison Creek watershed, the relative impact to depth and frequency of flooding from the Morrison Creek watershed is relatively small.

The drainage master plans for land development projects in the Morrison Creek watershed (from Elk Grove and Sacramento to Rancho Cordova) have mitigated peak flow; however, increased impervious areas can incrementally increase storm runoff volume. Levee and floodwall encroachments in the Laguna area of Elk Grove and the wastewater treatment plant have also reduced the floodplain storage area. When floodwater from the Cosumnes River flows south to north over Lambert Road, the Morrison Creek water has no place to go, so ponding occurs until the downstream flooding subsides.

Aggregate miners on Morrison Creek and Laguna Creek encroached in the floodplain, channelized the creeks, and constructed levee berms, and were required to install large side-channel weirs to mitigate their flood impacts. When the water rises in the creek, excess volume spills over the weir into the mining pit areas. There are no controls on the weirs, and the water naturally spills, taking the peak and significant volume off of the flow in the creek.

While this requirement was to mitigate the localized impact, it has also benefited by mitigating some flood volume impacts to the Beach Stone Lakes floodplain. Further, it is likely that the McCormack Williamson Weir project, proposed to be constructed in 2024 by the California Department of Water Resources, will further serve to mitigate any impacts of land development in the Morrison Creek watershed.

In the 1996 Zone 11 Engineer's Report, there is a reference to mitigating flood impacts to the BSL area by increasing the capacity of the existing Morrison Creek pump station. This is no longer recommended; the pros and cons of adding capacity to the pump station, known as Sump 90, are attached hereto (Attachment 3).

Beach Stone Lakes (Temporary) Flood Insurance Subsidy Program

In 1999, the design for the community known as Laguna Stonelake, at Elk Grove Boulevard and Interstate 5, included the construction of a levee that encroached into the Beach Stone Lakes floodplain. To mitigate the small impact to the Beach Stone Lakes floodplain water surface elevation, the developer offered to pay $2 million into a Water Agency fund now known as Fund 314A. Resolution 99-1489 (see Attachment 4) set into motion the flood insurance subsidy program for the Beach Stone Lakes Area. These funds were to be used for flood insurance, flood-proofing houses, elevating houses, and flood control measures. Since November 2005, Sacramento Area Flood Control Agency has been reimbursing Fund 314A for the annual cost of the flood insurance.

Outreach has been continuous since the Beach Stone Lakes area flooded in 2017, focusing on mitigating flood risk on each property. FEMA grants are available, and the Beach Stone funds are also available to assist with the cost. Of the 117 properties in the program, there are 46 houses that should consider elevating their floor. This recommended program would pay all of the eligible costs.

Eligible costs for a typical house elevation project include:

- Design and engineering
- Permits and inspection fees
- Bonds and insurance
- Lifting the house
- New, improved foundation
- Supporting piers, columns, and walls
- Stairs and landings to each exterior door
- Raising heating ventilation and air conditioning
- Raise electrical panel
- Elevator or ramp, if needed
- Elevation certificate
- Code upgrades required as part of the eligible project

Ineligible costs include:

- Upgrades and decor
- Repair of deferred maintenance
- Room additions
- Large decks
- Concrete to convert lower level to garage space

The flood insurance subsidy program was established 22 years ago as a temporary mitigation measure. There was a horizontally mapped limit area within which the program would subsidize flood insurance. At the time, staff did not have detailed elevation data for the insured structures. Now, based on the effective FEMA map, it is clear that many do not require flood insurance.

Since 2017, Water Resources staff have consistently reached out offering elevation and other mitigation measures to property owners in Beach Stone Lakes. Staff applied for and received FEMA grants for 13 houses, of which ten owners subsequently declined. However, when hearing of this proposal to the Board of Directors to fully fund eligible elevation costs, some homeowners have positively acknowledged the proposed increased benefit and that, if approved, they may reconsider and proceed with elevating their house. An additional community meeting was held on January 13, 2022 to describe the proposed changes incorporated herein.

Flood Risk Mitigation

Since 2008, the Sacramento County Department of Water Resources has offered to mitigate flood risk in the Beach Stone Lakes area. In 2017, Water Resources ramped up the program, and progress is being made. The following is the current summary of recommended mitigation for the structures in the Beach Stone Lakes area –

- 25 do not require flood insurance based on the effective FEMA flood insurance rate map
- 14 are on high ground, or their raised floor is high, thus needing no additional mitigation
- 12 need to add foundation vents to reduce flood risk and flood insurance cost
- 17 are in approved FEMA grants, but at this time, 10 of these homeowners have said, 'no, thank you.'
- 3 are in new forthcoming FEMA grant
- 2 are slated to be raised without FEMA funds, using only the Beach Stone Lakes Fund 315X
- 27 should consider elevating but have not agreed to do so
- 4 are in a category marked 'other' with recommendations such as berms, floodwalls, or backfilling basements
- 10 have yet to allow us to survey the elevation of the floor of the insured structure
- 1 structure was demolished
- 2 structures might be demolished

Notable Mitigation Projects

FEMA flood insurance has very specific building regulations that most homeowners and many insurance agents do not understand. For example, recently, a homeowner added some vents to the foundation stem walls of their house. This action decreased flood insurance premiums from $2,063 per year to $476 per year.

Several houses are currently being raised, which will result in a similar reduction in flood insurance costs.

Proposed Revisions to the Beach Stone Lake Flood Mitigation Program

On February 23, 2021, your Board approved several updates to the Beach Stone Lake Flood Mitigation Program. It was also requested that staff identify additional opportunities to provide benefits to the Beach Stone Lakes area. To this end, several additional program revisions are recommended.

1. Authorize the Director of the Department of Water Resources to update the Beach Stone Lakes (BSL) flood mitigation program to fund 100 percent of the eligible mitigation costs on properties within the BSL area, regardless of financial need, and to make retroactive payments to all who have proceeded with an eligible flood mitigation project since January 1, 2017.

   For this 100 percent provision, eligible flood mitigation projects include raising a house, filling a basement, and adding foundation vents. Demolition of a structure would qualify subject to specific Board approval.

2. Authorize the Director of the Department of Water Resources for properties participating in the Beach Stone Lake flood insurance reimbursement program that either were (or become) mitigated or that do not technically require flood insurance according to the current Federal Emergency Management Agency (FEMA) flood insurance rate map, to cease participation in the program effective for policies renewed after July 1, 2023.

   An example of a house that would qualify under this provision has the lowest adjacent ground level above the base flood elevation, as demonstrated on the elevation certificate for the structure. Another example has a floor that is safely above the base flood elevation and has adequate foundation vents. In each such case, if the owner desires to continue carrying flood insurance, the elevation-based flood insurance premium should be reasonably priced. Staff will perform outreach to help the owners understand the flood risk, flood insurance, elevation certificates, and this change in the subsidy program.

3. Authorize funding to property owners of home elevation projects in the Beach Stone Lakes area in the amount of $12,000 from Fund 315X to help offset living out costs related to lifting of the house. This would also be retroactively available to those who raised their house since January 1, 2017.

   It is understood that every situation is different, that houses are occupied by tenants, owners, families, and individuals. This allowance is intended to help with some of the cost, and the funds will be paid to the property owner(s) within a few weeks of the house being lifted. Some residents have access to a recreational vehicle and prefer to stay on-site. Others desire to rent an apartment, and some tenants will relocate. The same amount is available to the homeowner regardless of the details.

FINANCIAL ANALYSIS

The programs are funded by the Sacramento County Water Agency – Zone 11 Beach Stone Lakes Flood Mitigation Funds 314A and 315X.

Funding is included in the Fiscal Year 2021-22 Sacramento County Water Agency Zone 11 – Drainage Infrastructure Adopted Budget, and additional funding for these programs will be proposed in subsequent budgets, as needed.

Attachment(s):
RES - Resolution
ATT 1 - Beach Stone Lakes map
ATT 2 - Board Report February 23, 2021, Item 33
ATT 3 - Sump 90 Discussion
ATT 4 – Resolution 99-1489

RESOLUTION NO. WA-_________

APPROVE REVISIONS TO THE BEACH STONE LAKES FLOOD INSURANCE AND FLOOD MITIGATION PROGRAMS

WHEREAS, on November 16, 1999, by Resolution 99-1489, the Sacramento County Board of Supervisors authorized the Flood Insurance Program For The Beach Stone Lakes Area and it is hereby amended; and

WHEREAS, the area of Beach Stone Lakes remains as it was defined in 1999; and

WHEREAS, the maximum amount of flood insurance coverage under the subsidy program remains $100,000 structure and $25,000 contents; and

WHEREAS, property owners may continue to elect to either purchase flood insurance or they may ask the County to purchase flood insurance through the County's insurance agent for the program, in either case the cost to the program is equivalent; and

WHEREAS, funding for this program continues to be Fund 314A; and

WHEREAS, as long as funds are available and their nexus remains, Sacramento Area Flood Control Agency may continue to participate financially in this flood insurance subsidy program; and

WHEREAS, Fund 314A shall pay 100 percent of the eligible mitigation costs on properties within the BSL area, regardless of financial need, and shall make retroactive payments to all who have proceeded with an eligible flood mitigation project since January 1, 2017; and

WHEREAS, effective July 1, 2023, this program will stop subsidizing flood insurance for structures that do not require it per the FEMA flood insurance rate map effective on the date of this resolution and also for those structures that have been mitigated under the flood hazard mitigation program for the Beach Stone Lakes area; and

WHEREAS, use Fund 315X to pay property owners of home elevations projects in the Beach Stone Lakes area $12,000 to help offset the cost of temporarily relocating during the lifting of their house; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Agency Engineer be and is hereby authorized and directed to execute this amended Beach Stone Lakes flood insurance subsidy program on behalf of the SACRAMENTO COUNTY WATER AGENCY (hereinafter referred to as “SCWA”), a statutorily created district operating under the authority of and pursuant to the provisions of the Sacramento County Water Agency Act (California Water Code-Appendix, chapter 66, commencing at section 66-1 et seq.) and to do and perform everything necessary to carry out the purpose of this Resolution.

ON A MOTION by Director ____________________, and seconded by Director ____________________, the foregoing resolution was passed and adopted by the Board of Directors of SCWA, State of California, this 9th day of February, 2022, by the following vote, to wit:

AYES: Directors,

NOES: Directors,

ABSENT: Directors,

ABSTAIN: Directors,

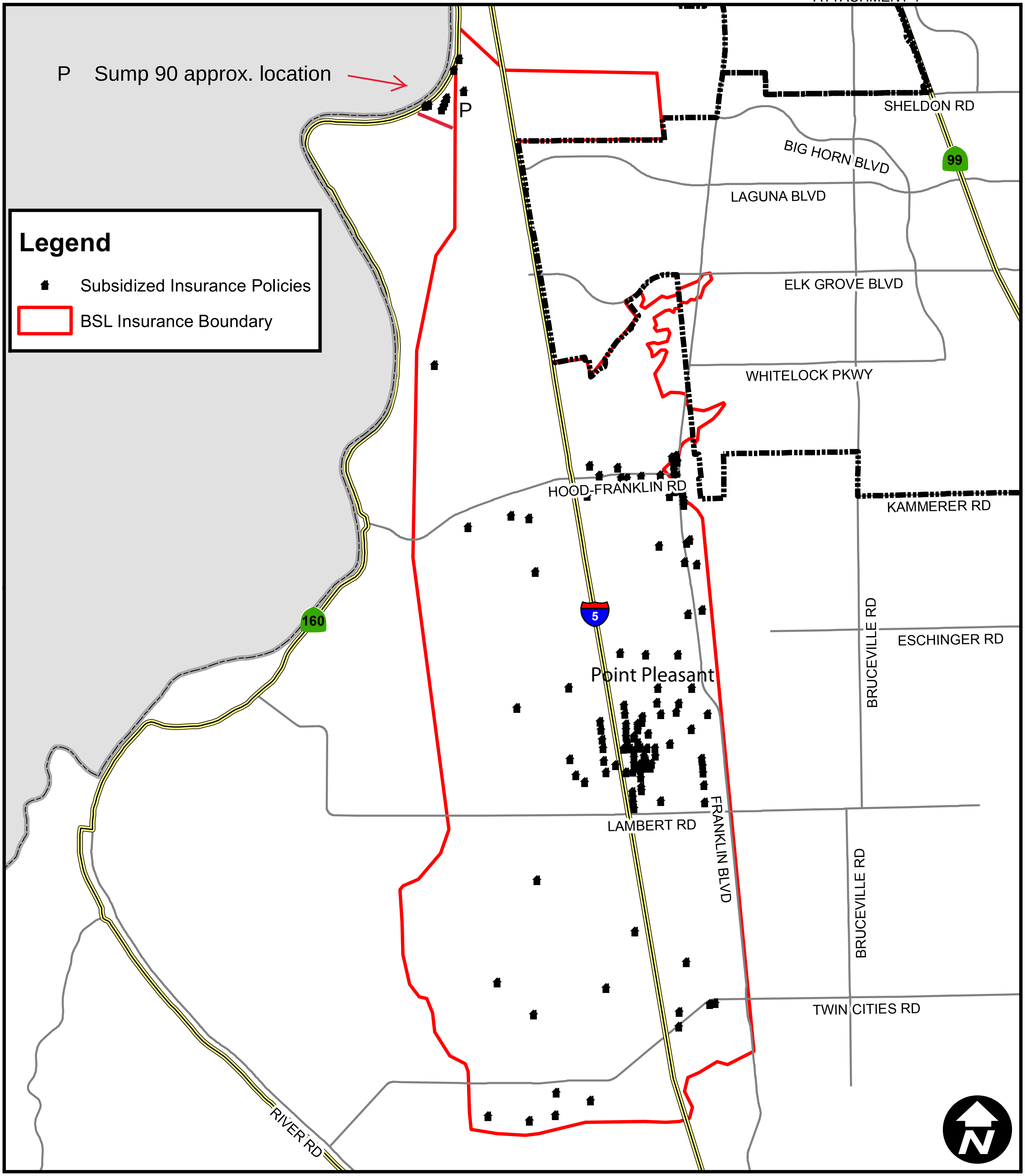
RECUSAL: Directors,
(PER POLITICAL REFORM ACT (§ 18702.5.)

____
Chair of the Board of Directors of the
Sacramento County Water Agency

(SEAL)

ATTEST: ______________________
Clerk of the Board of Supervisors of Sacramento County, California,
and Ex officio Secretary of the Board of Directors of the
Sacramento County Water Agency

ATTACHMENT 1



BEACH-STONE LAKE COUNTY PAID FLOOD INSURANCE SACRAMENTO, CA

SACRAMENTO COUNTY

Department of Water Resources

GIS by: S.REHMAN Date: MARCH 2017

APPROVED
BOARD OF SUPERVISORS
FEB 23 2021
BY Florence Evans
Clerk of the Board

COUNTY OF SACRAMENTO
CALIFORNIA

ATTACHMENT 2
33

For the Agenda of:
February 23, 2021
Timed: 2:00 PM

To: Board of Supervisors

Through: Ann Edwards, Interim County Executive

Steven L. Hartwig, Deputy County Executive,
Public Works and Infrastructure

From: Michael L. Peterson, Director, Department of Water Resources

Subject: Approve Revisions To The House Elevation Programs Funded By Federal Emergency Management Agency Grants, Stormwater Utility And/Or The Beach Stone Lakes Flood Mitigation Program And Update Of Flood Mitigation For Beach Stone Lakes

District(s): All

RECOMMENDED ACTION

1. Authorize the Director of the Department of Water Resources to update the Beach Stone Lakes (BSL) house elevation program by voiding the previous cap and proceed using the Federal Emergency Management Agency (FEMA) benefit versus cost analysis method.
2. Authorize the Director of the Department of Water Resources to increase the local share for eligible low income/hardship homeowners as necessary to accomplish FEMA and County BSL house elevation flood mitigation projects.
3. Authorize the County BSL Home Elevation program to fund initial project design costs upon completion of design plans.

BACKGROUND

Pursuant to item 58 on May 23, 2017, item 52 on June 6, 2017, item 40 on May 22, 2018, and others, the Department of Water Resources administers two programs for elevating houses to mitigate flood risk:

(1) The FEMA Flood Hazard Mitigation Program -FEMA covers 75 percent of the cost of house elevation, based on benefit versus cost analysis, with the County reimbursing half of the remaining 25 percent (local share) of the house elevation cost, up to a maximum of $12,000. Qualifying financial hardship projects (low income homeowners) are eligible to receive the full 25 percent

local share from the County Stormwater Utility or the Beach Stone Lakes Flood Mitigation Funds. The FEMA program does not cap the elevation cost but utilizes a benefit/cost method (FEMA BCA Toolkit software) in conjunction with a pre-calculated $175,000 benefit. The software is used to verify a benefit/cost>1 relative to the pre-calculated benefit.

(2) The County Flood Risk Reduction Program, - Limited to the Beach Stone Lakes Area (Beach Stone Lakes Program, Sacramento County Water Agency Funds 314A and 315X), County provides for reimbursement of 75 percent of the house elevation expense and further covers one-half of the owner's 25 percent local share, up to $12,000. Qualifying hardship projects are eligible to receive the full 25 percent local cost share from the County. This program was established with a cap of $100,000 on the 75% County funded share.

Water Resources has been successful in getting participation in these programs (refer to Attachment 1). Nonetheless, the idea of home elevation is daunting to most homeowners as it is costly, time consuming and brings with it much uncertainty. Staff has identified several aspects of the program which affect whether a homeowner is willing to move ahead with an elevation project.

FEMA grant funded elevation projects allow 75 percent grant funding for specified eligible construction/alteration cost items. Assuming all costs for a particular project are considered eligible, the minimum local cost share for a project is 25 percent. The same FEMA cost eligibility criteria are also used for the County Flood Risk Reduction Program. However, the reality is that many of the final design and cost issues are not known until significant resources are invested in design and engineering.

Further, the typical house elevation project will have a number of work items which, while necessary for the elevation project, are not strictly within the eligible activities allowed under FEMA criteria. This does not refer to incidental or additional aesthetic or decorative or items of work that the homeowner simply desires. Rather this relate to items including removal and disposal of unpermitted construction such as a converted attached garage, patio covers or other such add-ons, and required improvements for deferred code requirements that become required with the permit to elevate the house. Thus the "true" local cost share is more often higher than the basic 25 percent.

Additionally, it is often difficult for homeowner to envision how their house will look upon completion until the initial design plans are prepared, which requires that the engineer or architect be hired by the homeowner. While the costs for design are included in eligible costs, they must first be paid by the homeowner who must then submit them for later reimbursement. Design costs can vary but are typically several thousand dollars. This early cost to the homeowner, and the uncertainty of how their home will look before they see design plans can contribute to a hesitancy for participants to move forward on the project.

In order to expand the benefits and maximize participation for these two programs staff is recommending the following revisions to provide further incentive for participation:

- For projects in the County Flood Risk Reduction Program it is recommended to omit the $100,000 cost share cap and instead apply a $175,000 pre-calculated benefit in conjunction with the FEMA BCA Toolkit benefit/cost calculator. Projects would be required to have a benefit/cost >1. Should a project be determined not to meet that requirement it may be brought before the Board for further consideration for approval.

- For hardship cases in both programs it is recommended to allow additional local assistance to include costs that are necessary because of the project but technically are ineligible costs, to the satisfaction of the Director of Water Resources. Such costs would be funded by the applicable County funding (SWU or BSL) and would be in addition to any County funding already allowed towards the 25 percent cost share.

- For projects in the County BSL program it is recommended to allow the initial home elevation plan design costs to be paid directly by the BSL funds after completion of the plans, rather than waiting for a later reimbursement submittal from the homeowner. The design costs are already part of the eligible project costs, however allowing this early payment to be made using County funds reduces the initial outlay obligation on the homeowner and can help kickstart a project.

The proposed revisions are recommended as a means to reduce impediments to implementing the home elevation programs and to serve as additional incentive for potential home elevation candidates to participate.
In addition to the proposed incentive for home elevation programs, staff has been meeting with State Department of Water Resources (CA DWR) regarding the status of their proposed McCormick Williamson Tract (MWT) Levee project. Currently DWR is proposing to lower 900ft of the East MWT levee and lower

1500ft of the South MWT levee. Initial analysis of this proposal identifies that it would result in a lowering of the 100 year flood on the order of 0.3 feet generally in the Beach Stone Lake area. CA DWR has had some initial public outreach in November and may consider additional outreach. Design completion is currently at approximately 30 percent and CA DWR is targeting 2022 for construction provided they can secure funding. CA DWR plans to release a CEQA document in spring 2021.

After the MWT levees failed in 2017, the County entered into an agreement with MWT to provide up to $400,000 towards the cost of debris removal from a future levee failure. This was to provide incentive for MWT to keep the interim repaired levees at a lower elevation, providing some interim benefit to the BSL area as they were considering moving forward on their overall levee project. As their proposed project is now advancing and appears to have benefits to the BSL area, there is a potential opportunity for the County to provide funding support for the project. This support could potentially come from Beach Stone Mitigation Funds 314A and 315X as well as the Lambert Road Funds 105 A and C. Staff is continuing to engage with CA DWR as they proceed with their project to identify how the County could participate. Any specific proposal to provide funding toward this project will be brought to your Board for consideration.

FINANCIAL ANALYSIS

The projects will be funded by the Stormwater Utility Program and the Beach Stone Lakes Flood Mitigation Funds 314A and 315X. The Stormwater Utility Program estimated cost is $60,000 and the estimated Zone 11 cost is $125,000 in Fiscal Year 2020-21. Staff has been successful in getting participation in these programs (refer to Attachment 1). Nonetheless, the idea of home elevation is daunting to most homeowner as it is costly, time consuming and brings with it much uncertainty. In order to try to address this staff is recommending some revisions to the program in order to reduce the number of impediments for homeowners to be comfortable moving ahead with an elevation project.

These costs are included in the Fiscal Year 2020-21 Stormwater Utility and Zone 11 Adopted Budgets.

Attachment(s):
ATT 1 – House Elevation Status Report

Status of House Elevation Program

There are 3 approved FEMA grants for house elevation plus the grants for Woodside Condominiums. There are two more house elevation grants awaiting approval. Additionally, the Board authorized use of the Beach Stone Lakes Flood Mitigation Funds to elevate house in that area.

The coronavirus concerns of 2020 delayed meetings and thus the project has had a slower start. Below is the status as of December 2020:

- HMGP 4240-027 2 houses are raised, 6 are in design/permit review, others might proceed in the spring of 2021
- HMGP 4301-232 2 houses are raised, 5 are in design/permit review, others might proceed in the spring of 2021
- HMGP 4344-026 1 is in design, others might proceed in 2021or 2022

Of the above houses, there are 5 in the Beach Stone Lakes area who are actively interested in elevating.

Woodside Condominiums

- HMGP 4344-061 and -064 Woodside Condominiums Homeowners Association is voting and will tell the County of their intentions end of February 2021

The coronavirus concerns of 2020 delayed FEMA grant processing as well; however, it does appear that the following grants will be approved in 2021:

- HMGP 4407-038 on which 19 houses are included as possible elevation candidates
- PDM19-023 on which 14 houses are included as possible elevation candidates

Of the above two grant applications, there are 6 in the Beach Stone Lakes area.

Beach Stone Lakes (Funds 314A and 315X) Flood Risk Mitigation Program, status summary follows:

- As stated above, there are 5 homeowners actively pursuing house elevation under the approved FEMA grants
- 6 homeowners will be invited upon forthcoming approval of two FEMA grant applications
- 6 houses are on the approved grants but the owners are not proceeding for various reasons
- 9 homeowners are considering raising their houses using the Beach Stone Lakes funds (2 are currently in design)
- 17 additional homeowners should consider raising their house but have not yet indicated interest
- 1 house was demolished (Board Item 37 on October 22, 2019)

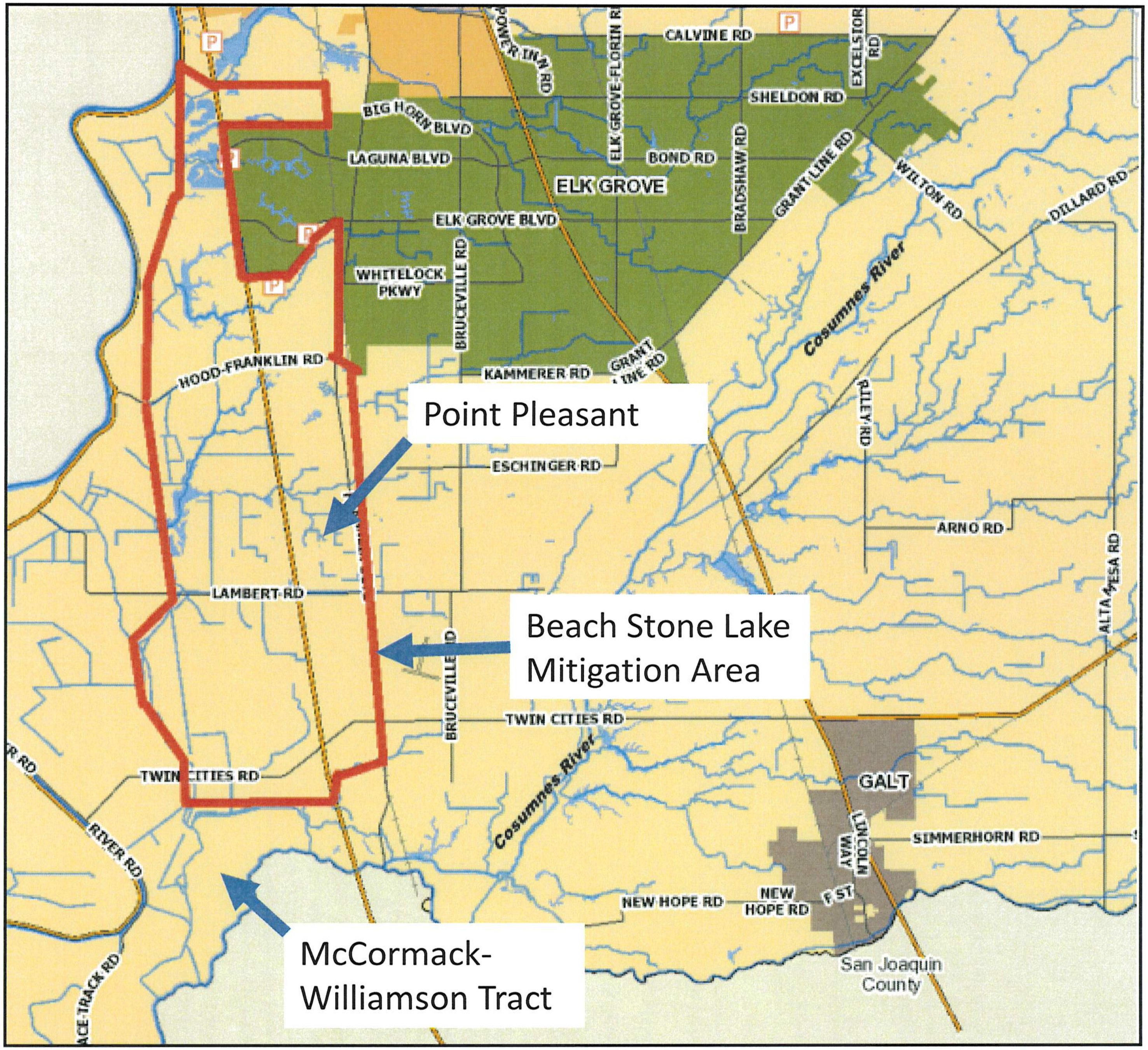
It is expected that once the Beach Stone Lakes area residents see several houses being raised that others will become more willing to proceed.

Questions should be directed to George Booth at boothg@saccounty.net

ATTACHMENT 2

Revisions to Home Elevation Programs- Update on Beach-Stone Lake Flood Mitigation

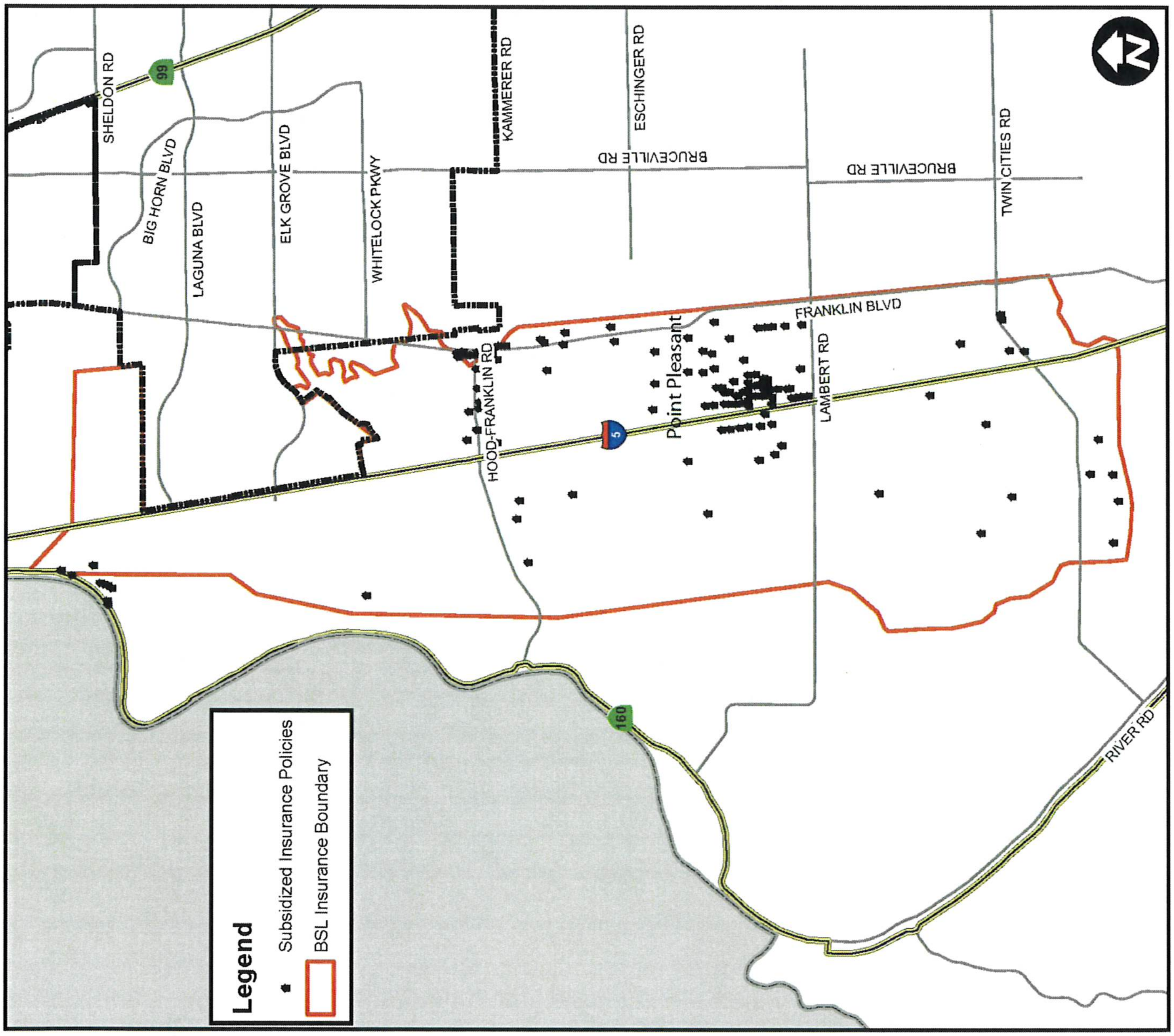
February 23, 2021


CALVINE RD
EXCELSIOR RD
SHELDON RD
POWER INN RD
ELK GROVE-FLORIN RD
BIG HORN BLVD
BOND RD
LAGUNA BLVD
ELK GROVE
BRADSHAW RD
GRANT LINE RD
WILTON RD
DILLARD RD
ELK GROVE BLVD
WHITELOCK PKWY
BRUCEVILLE RD
Cosumnes River
HOOD-FRANKLIN RD
KAMMERER RD
GRANT LINE RD
RILEY RD
Point Pleasant
ESCHINGER RD
ARNO RD
LAMBERT RD
ALTA MESA RD
Beach Stone Lake
Mitigation Area
TWIN CITIES RD
GALT
LINCOLN WAY
SIMMERHORN RD
RIVER RD
NEW HOPE RD
NEW HOPE RD
F ST
San Joaquin County
McCormack-
Williamson Tract

Existing Home Elevation Programs

Existing Program	Funding Formula	County Contribution	County Fund Source	*Recommended Program Changes*
FEMA Hazard Mitigation Program	75% FEMA 25% Local (owner)	• ½ of the 25% Local share (up to $12,000) • Entire 25% Local share if qualifying low income owner	Stormwater Utility	• *For qualifying low income projects, allow additional contribution toward costs such as removal of unpermitted work or deferred code requirements triggered by the building permit.*
County Flood Risk Reduction Program (Beach-Stone Lake area)	75% FEMA or County 25% Local (owner)	• ½ of the 25% Local share (up to $12,000) • Entire 25% Local share if qualifying low income owner • If project not FEMA Eligible, then entire 75% Program share funded by County (up to $100,000)	Beach-Stone Lake Mitigation Fund	• *For qualifying low income projects, allow additional contribution toward costs such as removal of unpermitted work or deferred code requirements triggered by the building permit.* • *Omit $100,000 cap for County funded elevation - replace with $175,000 prequalified benefit using FEMA Benefit/Cost Toolkit (consistent with FEMA Grant funded projects)* • *Allow for early reimbursement of design costs upon completion of project design*

ATTACHMENT 2

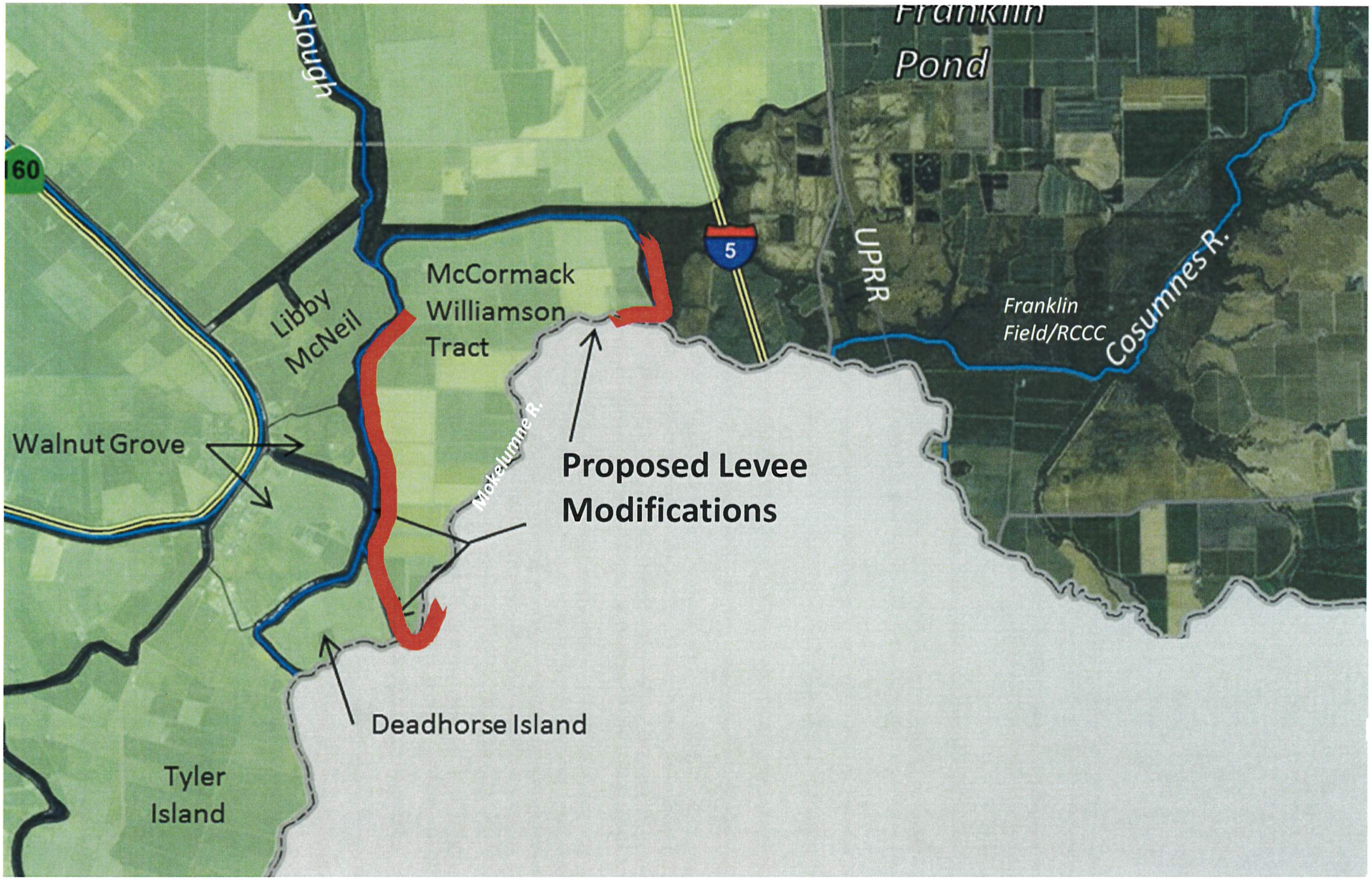


Beach-Stone Lake Mitigation

<u>McCormack-Williamson Tract Levee Improvements – (MWT)</u>

- State is proposing to lower 900ft of the East MWT levee and lower 1500ft of the South MWT levee.
- Initial analysis of this proposal identifies that it would result in a lowering of the 100 year flood on the order of 0.3 feet generally in the Beach Stone Lake area.
- CA DWR has had some initial public outreach in November and may consider additional outreach.
- Design completion is currently at approximately 30 percent, release CEQA document in spring 2021 and proposed construction in 2022.

McCormack Williamson Tract



February 23, 2021

Department of Water Resources

SACRAMENTO COUNTY

Beach-Stone Lake Mitigation

<u>Beach-Stone Lake Mitigation Funds</u> **(FY20 Balances shown)**

Fund 314A (Beach Lake Flood Mitigation Fund) - $1,782,165.13
Fund 315X (BSL Volume Mitigation Impact Fee) - $3,423,155.08

- Can be used to support structural projects to provide flood protection for the Beach-Stone Lake area.
- Funds collected as mitigation of incremental impacts from upstream development.
- Funds used as a pass through to pay for flood insurance policies in the Beach Stone Lake area. Costs for the insurance policies are subsequently reimbursed to County by SAFCA annually.
- In 2017 Board authorized the use of these funds to support home elevation projects in the Beach Stone Lake area. Home elevation is deemed as a means to provide mitigation of incremental impacts to a property from upstream development.

Fund 105 A - $2,091,754.00
Fund 105 C - $1,168,696.00

- Funds established through bonds associated with development in the Laguna West/Lakeside development (now in Elk Grove).
- Fund can be used to support a structural project that provides flood protection for the Beach-Stone Lake area.
- County Counsel has consistently expressed that the funds cannot be used toward home elevation projects in Beach Stone Lake.
- DWR staff investigating whether these funds could be used to support a project such as the proposed McCormack Willamson Tract levee project.

ATTACHMENT 2

33

2/23

From: Evans. Florence
To: Bishop. Amanda
Cc: Shanks. Stephanie; Munoz. Alma
Subject: FW: CORRESPONDENCE FROM MR. WALT HOPPE - FEBRUARY 23, 2021 - ITEM 33
Date: Friday, March 5, 2021 11:26:50 PM
Attachments: Correspondence from Walt Hoppe.pdf

For the record.

F. Evans
Clerk of the Board Office

From: Oliver. Letitia <oliverl@saccounty.net>
Sent: Friday, March 5, 2021 2:43 PM
To: Evans. Florence <Evansf@saccounty.net>
Cc: Munoz. Alma <MunozAl@saccounty.net>; Sloan. Rebecca <SloanR@saccounty.net>
Subject: CORRESPONDENCE FROM MR. WALT HOPPE - FEBRUARY 23, 2021 - ITEM 33

Flo,

Supervisor Nottoli would like the attached correspondence from Mr. Walt Hoppe to be included in the Record for February 23, 2021 - Item 33. Thank you.

Sincerely,

Letitia A. Oliver, Secretary
to Supervisor Don Nottoli
County of Sacramento
Board of Supervisors - Fifth District
700 H St., Suite 2450
Sacramento, CA 95814
916-874-5465

Supervisor Don Nottoli
District 5
Sacramento County
700 H Street, Suite 2450
Sacramento, CA. 95814

11-30-2020

RECEIVED
DEC -7 2020
BOARD OF SUPERVISORS

Dear Supervisor Nottoli:

During our last conversation 11-2-2020 regarding mitigation of upstream development runoff you stated you would have Counsel Bill Burke address several issues and put his findings in writing. The issues are as follows.

1. You stated Mr. Burke's position was that home elevation meet mitigation requirements even though it is voluntary upon the homeowner to accept this mitigation.

A. How does home elevation mitigate the development increased runoff? Please clarify.

B. The homeowner must also pay a fairly substantial portion of the costs plus months out of ones home while construction progresses. How can this be mitigation? How can you impose a cost on the homeowner to mitigate a developer created problem. Please clarify.

C. The County has never completed a detailed cost analysis to elevate all homes within the Beach Stone Lake area. Considering the program is voluntary it is impossible to determine cost. Please clarify.

2. Sacramento County is currently imposing a fee on developments as mitigation. The fee has no currant basis as the original mitigation project to be funded by the fee was long ago determined unfeasible. The fee was set over 30 years ago. Address the legality of imposing a fee that has no currant basis. Address the issue of collecting a mitigation fee without a time frame to implement.

3.County staff states that funds 105A and C cannot be used for home elevation. What is the mitigation measure designated for these funds? The money for these funds were also collected over 30 years ago.

It certainly seem the County of Sacramento and the development community has taken advantage of the landowners/homeowners of the Beach Stone Lake Area. Isn't the County of Sacramento obligated to treat all the citizens within the County equally and fairly under the law. Its hard for me to believe this to be the case when you consider what has transpired over the past 30 years.

Back on October 4, 1988 (see attachment) Water Resources Division placed a condition on all developments in the Morrison Creek Stream Group. This condition states "To mitigate the adverse cumulative impacts on flooding in the Beach-Stone Lakes Basin: Provide a storm drainage detention facility with capacity for 10-day retention of 40% of site runoff from a 100-year storm." This does mitigate the development increase runoff.

In fairness to the Beach-Stone Lake Residents this condition must again be placed on all development until such times a legitimate mitigation measure is approved and implemented.

I thank you for your time in this matter and do expect a timely response.

Walter Hoppe
W J Hoppe
11556 Fogg Road
Elk Grove, CA. 95757

cc: Phil Serna
Patrick Kennedy
Susan Peters
Sue Frost

ATTACHMENT 2

COUNTY OF SACRAMENTO

Inter-Department Correspondence

October 4, 1988

TO: Dennis Yeast
Environmental Impact Section

FROM: John Coppola
Water Resources Division

SUBJECT: BEACH-STONE LAKES FLOOD MITIGATION CONDITION

Until further notice, the following condition must be applied to all applications for entitlements in the Morrison Creek Stream Group Drainage Basin:

"To mitigate the adverse cumulative impacts on flooding in the Beach-Stone Lakes Basin: Provide a storm drainage detention facility with capacity for 10-day retention of 40% of site runoff from a 100-year storm."

JPC:ac:10488b
302:32.01
3 YEAR

34

AGENDA ITEM CONTINUATION MEMO

MEETING DATE: February 23, 2021

DEPARTMENT:

TITLE: **Fiscal Year 2019-20 Transient Occupancy Tax Grant Program Report Back And Fiscal Year 2020-21 Transient Occupancy Tax Grant Program Update (Continued From February 9, 2021; Item 33)**

BOARD ACTION: Continued to February 24, 2021

MATERIAL FORWARDED

COUNTY OF SACRAMENTO
BOARD OF SUPERVISORS
MEETING DATE:

TUESDAY, FEBRUARY 23, 2021

NOTE: THIS ITEM WILL BE CONTINUED TO FEBRUARY 24, 2021
2:00 PM -- Fiscal Year 2019-20 Transient Occupancy Tax Grant Program Report Back And Fiscal Year 2020-21 Transient Occupancy Tax Grant Program Update (Continued From February 9, 2021; Item 33) (County Executive)
Supervisorial District(s): All
Impact Area(s): Countywide

Clerk of the Board
Florence H. Evans

Interim County Executive
Ann Edwards

County of Sacramento

MEMORANDUM

Date: February 25, 2021

To: Michael L. Peterson, Director, Department of Water Resources

From: Florence Evans, Clerk of the Board

Subject: Item No. 33 – Approve Revisions to the House Elevation Programs Funded by Federal Emergency Management Agency Grants, Stormwater Utility and/or the Beach Stone Lakes Flood Mitigation Program and Update of Flood Mitigation for Beach Stone Lakes

The Board of Supervisors, meeting on February 23, 2021, voted unanimously (5:0) to approve staff recommendations as follows:

- Authorized the Director of Water Resources to update the Beach Stone Lakes (BSL) house elevation program by voiding the previous cap and proceed using the Federal Emergency Management Agency (FEMA) benefit versus cost analysis method;
- Authorized the Director of the Department of Water Resources to increase the local share for eligible low income/hardship homeowners as necessary to accomplish FEMA and County BSL house elevation flood mitigation projects; and
- Authorized the County BSL Home Elevation program to fund initial project design costs upon completion of design plans.

The Board requested staff return with a program to fund the homeowner portion of home elevations and to provide a report back by May 2021.

cc: Steven L. Hartwig, Deputy County Executive, Public Works and Infrastructure

Sump 90 Discussion

In April 1994, Ensign & Buckley Consulting Engineers prepared the Beach Stone Lakes Pump Station Pre-Design Final Report. The report details the assessment of three pump station alternatives, ultimately recommending Alternative 3, a new 700 cubic feet per second (cfs) pump station adjacent to Highway 160 and the Sacramento River. The location of Sump 90 is shown on Attachment 1.

The report included estimated design and construction costs. The 1994 total project cost estimate was $6.5M (million), which included $617,000 for the City of Sacramento's cost share to relocate their Sump 90 pump to the new pump station and $5.9M for Sacramento County cost share. Updating the 1994 costs to 2020 costs results in a cost estimate of $13.5M, which includes $1.3M for the City of Sacramento and $12.2M for Sacramento County. The cost of operating the pump station would be added to this initial cost.

The report points out that the pump station would have minimal effects on lowering BSL water surface elevations unless an outlet control structure is constructed at Lambert Road, adding more cost. However, the control structure at Lambert Road is deemed infeasible due to the impacts it would cause to downstream properties (refer to Board report December 11, 2018, Item 61, PLER2017-00096 Status of the Initial Environmental Assessment Being Conducted for a Proposed Flood Fight Barrier Project on Lambert Road to Protect the Point Pleasant Community).

Recently, Water Resources updated the North Delta hydraulic model to look at the advantage should such a pump be constructed. The additional pumps at Sump 90 would provide significant pumping capacity moving up to 12,500 ac-ft to the Sacramento River over the course of a 10-day storm period. However, due to the vast area of the BSL floodplain, the net decrease to the peak 100-year floodplain water surface elevation would be only 0.2 feet.

The modeling also shows that the value of the pump for the community of Point Pleasant, north of Lambert Road would be offset by increased flow of Cosumnes River water south to north over Lambert. The Cosumnes River provides ample flood volume to offset any gain that the pump station might theoretically offer.

The cost of such a pump plant would not be justified because it will not reduce the frequency of flooding and will not reduce the extent of flooding when flood events do occur.

ATTACHMENT 4

COUNTY OF SACRAMENTO

WATER RESOURCES DIVISION..............................KEITH DEVORE, Chief
COUNTY ADMINISTRATION BUILDING Phone: (916) 874-6851
827 SEVENTH STREET, ROOM 301 Fax: (916) 874-8693
SACRAMENTO, CA 95814

www.sna.com/saccowr/wrd

PUBLIC WORKS AGENCY
WARREN H. HARADA, Administrator

CHERYL F. CRESON, Director
County Engineering
ROBERT F. SHANKS, Director
District Engineering
JOHN W. NEWTON, Director
General Services
PATRICK L. GROFF, Director
Public Works Administration

APPROVED
BY RESOLUTION # 99-1489
BOARD OF SUPERVISORS
NOV 16 1999
By Cindy A. Turner
Clerk of the Board

(REVISED)

52

November 16, 1999
Timed Item: 3:00 p.m.

RECEIVED
DEPARTMENT OF PUBLIC WORKS
WATER RESOURCES DIVISION
NOV 17 1999
FILE

TO: Board of Supervisors, County of Sacramento
Board of Directors, Sacramento County Water Agency

FROM: Department of District Engineering

SUBJECT: **Flood Insurance Program for the Beach-Stone Lakes Area**

RECOMMENDATION:

Staff recommends the following:

1. Approve the recommendations in the attached report regarding creation and implementation of a flood insurance program for residents of the Beach-Stone Lakes (BSL) area;
2. Approve the proposed budget which shows all of the expected sources and uses of funds for the 1999/00 fiscal year; and
3. Adopt the attached resolution.

BACKGROUND:

On July 21, 1999, your Board approved creation of a $2 million BSL drainage mitigation fund for the Laguna Stonelake subdivision in lieu of requiring flood neutral construction. The condition of approval states that the mitigation fund may be used for:

- Providing flood insurance to BSL residents
- Floodproofing of homes in the BSL area
- Elevation of homes in the BSL area
- Reimbursement of flood damages
- Construction of a flood control project to reduce flooding in the BSL area.

The fund has two primary purposes. In the short-term, interest from the fund is to be used to provide flood insurance for local residents impacted by the project. In the long-term, the fund would provide a portion of the cost of a large flood control project to reduce flooding in the area.

Your Board further directed Water Resources Division (WRD) staff to:

- Obtain input from affected residents
- Return to your Board with a proposed flood insurance implementation program

DISCUSSION:

General guidelines of the program include:

- All structures (residential, commercial, agricultural) impacted by increased flood elevations as a result of the Laguna Stonelake subdivision are eligible for subsidized flood insurance. Refer to the map (Attachment A) for the eligible area.
- The insurance coverage to be provided will be $100,000 for structures, $25,000 for contents, with a $1000 deductible for each.

~~Only interest from the mitigation fund will be used to pay for the flood insurance.~~[1]

- Homeowners are encouraged to purchase their own insurance, to be reimbursed from the fund. However, the County will purchase insurance on property owner's behalves for those who do not purchase flood insurance on their own.
- The insurance program will be in effect until the SAFCA South Sacramento Stream Group insurance program is created, or a BSL flood control project is constructed.
- The mitigation fund will also reimburse 50% of deductibles in the event that flood damages occur.

On October 28, 1999, WRD staff and Supervisor Nottoli held a public meeting with BSL residents. In general, the residents were very receptive to the program and indicated that they supported the program as proposed. Several questions regarding specific details or unique circumstances for property owners will be addressed separately prior to the Board hearing.

A budget (Attachment B) and a report with more detailed information and specific recommendations for implementation of the proposed flood insurance program (Attachment C) is included herein.

CONCLUSION:

Staff recommends that your Board approve staff recommendations and direct staff to begin immediate implementation of the program.

---

[1] Staff had originally recommended that principal from the Laguna Stonelake Mitigation Fund (the Mitigation Fund) not be used to provide flood insurance and that any shortfall would be funded by a loan from Zone 11A Beach Stone Lakes (Zone 11A). After further consideration staff determined that if Zone 11A loaned funds to the Mitigation Fund it would be appropriate for the Mitigation Fund to pay interest. As a result, the amount of interest paid would equal the amount of additional interest earned by preserving the principal. Consequently, there would be no net impact on the Mitigation Fund if funds were advanced from Zone 11A. Preservation of principal may not be possible for the first year's insurance program unless additional contributions are received. [illegible]

Respectfully submitted,

Robert F. Shanks, Director
Department of District Engineering

APPROVED:

Terry Schutten
County Executive

By:
Warren Harada, Administrator
Public Works Administration

Contact for Additional Information: Steve Pedretti 874-6851

Cc: Keith DeVore
Steve Pedretti
Greg Ohanesian
Pete Ghelfi

RESOLUTION NO. 99-1489

BE IT RESOLVED by the Sacramento County Board of Supervisors, a political subdivision of the State of California:

1. All insurable structures within the area identified in the attached map (Attachment A) are eligible for flood insurance subsidized by the Laguna Stonelake Drainage Mitigation Fund (Fund).
2. The maximum amount of insurance that will be provided to each property owner is $100,000 for insurable structures and $25,000 for contents (with $1000 deductible for each), subject to available Fund interest.
3. Homeowners may elect to either purchase flood insurance or have the County purchase the insurance on their behalf through the County's insurance carrier. If purchased by property owners, the Fund will reimburse the cost of flood insurance based on coverage levels set by the County.
4. The Fund will continue to reimburse flood insurance costs until either:
   - Flood insurance for BSL residents is purchased as part of the Sacramento Area Flood Control Agency's (SAFCA) South Sacramento Stream Group (SSSG) project; or
   - A flood control project is constructed that mitigates the effect of development within the BSL area.
5. If flooding occurs while structures are insured under this program, the Fund will reimburse property owners for the second half of deductibles (i.e., the portion of deductibles between $501 and $1000), provided that damages sustained meet National Flood Insurance Program reimbursement requirements.
6. Homes that are elevated under the Hazard Mitigation Grant Program that receive $6,000 of matching money from Fund interest will <u>not</u> be eligible for flood insurance under this program (it is not known whether such homes will be eligible for future flood insurance reimbursement under the proposed SAFCA program).
7. County staff time (at standard charge rates) will be reimbursed by the Fund.
8. All items contained in the 1999/00 budget for the Fund as detailed on Attachment B are hereby approved.

9. The Director of the Department of District Engineering or his delegate is hereby authorized to take all necessary steps to immediately implement the Beach-Stone Lakes Mitigation Fund flood insurance program.

On the motion by Supervisor Nottoli, seconded by Supervisor Johnson, the foregoing resolution was passed and adopted by the Board of Supervisors of SACRAMENTO COUNTY, State of California, this 16th day of November, 1999, by the following vote, to wit:

AYES:	Supervisors,	Dickinson, Niello, Nottoli, Johnson
NOES:	Supervisors,	none
ABSENT:	Supervisors,	Collin
ABSTAIN:	Supervisors,	none

Muriel P. Johnson

Chair of the Board of Supervisors, of the County of Sacramento, a political subdivision of the State of California

COUNTY OF SACRAMENTO CALIFORNIA

(Seal)

ATTEST:

Clerk of the Board of Supervisors of Sacramento County

In accordance with Section 25103 of the Government Code of the State of California a copy of this document has been delivered to the Chairman of the Board of Supervisors, County of Sacramento on

NOV 16 1999

By

Deputy Clerk, Board of Supervisors

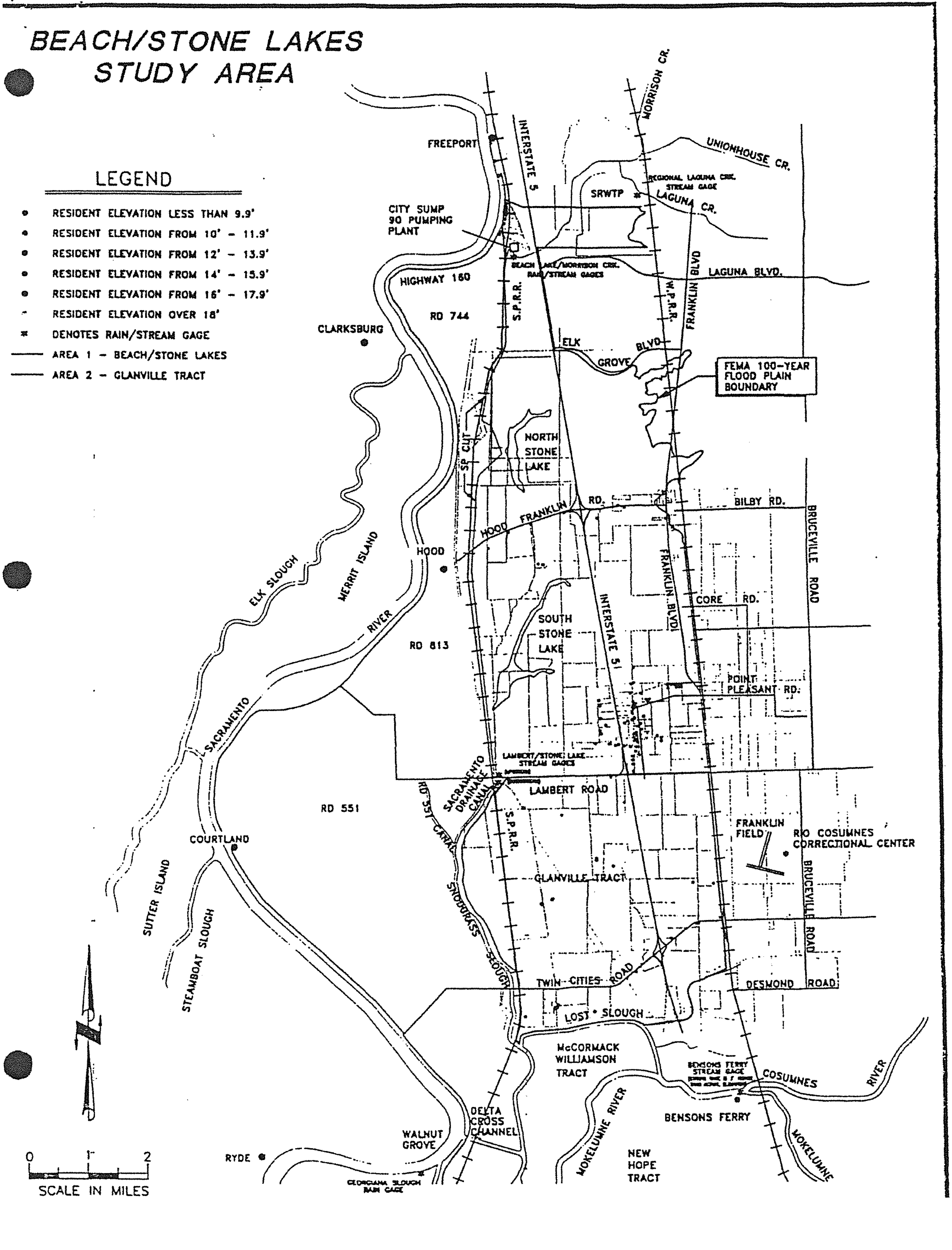
FILED

NOV 16 1999

BOARD OF SUPERVISORS

BY

CLERK OF THE BOARD


BEACH/STONE LAKES
STUDY AREA
LEGEND
RESIDENT ELEVATION LESS THAN 9.9'
RESIDENT ELEVATION FROM 10' - 11.9'
RESIDENT ELEVATION FROM 12' - 13.9'
RESIDENT ELEVATION FROM 14' - 15.9'
RESIDENT ELEVATION FROM 16' - 17.9'
RESIDENT ELEVATION OVER 18'
DENOTES RAIN/STREAM GAGE
AREA 1 - BEACH/STONE LAKES
AREA 2 - GLANVILLE TRACT
FREEPORT
INTERSTATE 5
MORRISON CR.
UNIONHOUSE CR.
REGIONAL LAGUNA CRK. STREAM GAGE
SRWTP
LAGUNA CR.
CITY SUMP 90 PUMPING PLANT
BEACH LAKE/MORRISON CRK. RAIN/STREAM GAGES
HIGHWAY 160
LAGUNA BLVD.
S.P.R.R.
W.P.R.R.
FRANKLIN BLVD
RD 744
CLARKSBURG
ELK GROVE BLVD
FEMA 100-YEAR FLOOD PLAIN BOUNDARY
NORTH STONE LAKE
SP CUT
RD.
BILBY RD.
HOOD FRANKLIN
BRUCEVILLE ROAD
HOOD
ELK SLOUGH
MERRIT ISLAND
RIVER
CORE RD.
SOUTH STONE LAKE
INTERSTATE 5
RD 813
POINT PLEASANT RD.
SACRAMENTO
LAMBERT/STONE LAKE STREAM GAGES
SACRAMENTO DRAINAGE CANAL
LAMBERT ROAD
RD 551
RD 551 CANAL
FRANKLIN FIELD
RIO COSUMNES CORRECTIONAL CENTER
COURTLAND
GLANVILLE TRACT
SNODGRASS SLOUGH
SUTTER ISLAND
STEAMBOAT SLOUGH
TWIN CITIES ROAD
DESMOND ROAD
LOST SLOUGH
McCORMACK WILLIAMSON TRACT
BENSONS FERRY STREAM GAGE
COSUMNES RIVER
BENSONS FERRY
MOKELUMNE RIVER
MOKELUMNE
DELTA CROSS CHANNEL
WALNUT GROVE
RYDE
GEORGIANA SLOUGH RAIN GAGE
NEW HOPE TRACT
0 1 2
SCALE IN MILES

ATTACHMENT B

BEACH STONE LAKE FLOOD MITIGATION FUND
FUND 314A - FUND CENTER 2814000

FISCAL YEAR 1999/2000 BUDGET

USES OF FUNDS

COMMITMENT ITEM	EXPENDITURE DESCRIPTION	
20289800	Local Share of Home Elevations	$ 24,000
20289900	Insurance Subsidies to Homeowners	76,875
20293400	PW Work Request Charges	10,000
	Total Expenditures	110,875
	Reserve	1,972,458
	Total Uses of Funds	$ 2,083,333

SOURCES OF FUNDS

COMMITMENT ITEM	REVENUE DESCRIPTION	
90941000	Interest income	$ 83,333
90973000	Contributions	2,000,000
	Total Revenue	$ 2,083,333

ATTACHMENT C

BSL Flood Insurance Summary

- What is the eligible area? *Generally that area bounded by Hood-Franklin Rd on the north, the Western Pacific Railroad on the east, Lost Slough to the south, and Snodgrass Slough (old SPRR levee) to the west (refer to map).*

- What structures qualify to be insured? *All structures, including residential, agricultural, and commercial, are eligible.*

- Does it matter if a structure is above or below the federal base flood elevation? *No.*

- How much money will be available on a year to year basis for insurance? *Approximately $100,000 per year is estimated to be available at current interest rates. This amount will vary from year to year based on variable interest rates.*

- How else may the mitigation fund be used? *The Board of Supervisors approved potentially using the fund for floodproofing, home elevation, or other means of protecting structures from flooding. However, the Board stated that any proposals to use the funds for these activities will require their review and approval.*

- How much coverage will be provided? *$100,000 for structures, $25,000 for contents.*

- Who obtains the policy? *Homeowners may either purchase the insurance on their own to be reimbursed from the fund, or the County will purchase insurance on property owner's behalf.*

- How long will the program be in effect? *The program is intended to be temporary, and will last until either the SAFCA South Sacramento Stream Group project is constructed (at which time SAFCA will provide flood insurance), or until a BSL flood control project is constructed, whichever occurs first.*

- How soon will the program be implemented? *County staff intends to implement the program as soon as Board approval is achieved. The Board will review the program on November 16th. Should approval be granted on that date, the program can begin implementation immediately.*
    - *Property owners who purchase their own insurance can apply for reimbursement immediately after the Board approves a program and they provide proof of insurance.*
    - *Flood insurance for those who prefer for the County to purchase it on their behalf will become available as soon as the County can obtain necessary information and process the paperwork. This process is expected to be much more time consuming than the first option.*
    - *Note that flood insurance does not become effective until 30 days after it is purchased. Therefore, it is imperative that the insurance be purchased as soon as possible to get the insurance in effect before the worst of the rainy season occurs.*

BEACH-STONE LAKES
FLOOD INSURANCE PROGRAM
AS MITIGATION FOR
THE LAGUNA STONELAKE PROJECT

Recommendation

Water Resources Division (WRD) recommends that the Beach-Stone Lakes flood insurance program be implemented as follows:

1. All insurable structures within the area identified in the attached map are eligible for flood insurance subsidized by the Laguna Stonelake Drainage Mitigation Fund (Fund).
2. The amount of insurance that will be provided to each property owner is $100,000 for insurable structures and $25,000 for contents (with $1000 deductible for each), subject to available Fund interest.
3. ~~Principal from the Fund will not be used to provide flood insurance to residents of the Beach-Stone Lakes (BSL) area.~~
4. Homeowners may elect to either purchase flood insurance or have the County purchase the insurance on their behalf through the County's insurance carrier. If purchased by property owners, the Fund will reimburse the cost of flood insurance based on coverage levels set by the County.
5. The Fund will continue to reimburse flood insurance costs until either:
   - Flood insurance for BSL residents is purchased as part of the Sacramento Area Flood Control Agency's (SAFCA) South Sacramento Stream Group (SSSG) project; or
   - A flood control project is constructed that mitigates the effect of development within the BSL area.
6. Since there is insufficient interest collected at this time to fully fund flood insurance for BSL residents, sufficient funds will be loaned from Zone 11A(BSL) to cover the cost. Zone 11A(BSL) will be reimbursed through the interest accrued in the Fund.
7. If flooding occurs while structures are insured under this program, the Fund will reimburse property owners for the second half of deductibles (i.e., the portion of deductibles between $501 and $1000), provided that damages sustained meet National Flood Insurance Program reimbursement requirements.
8. Homes that are elevated under the Hazard Mitigation Grant Program that receive $6000 of matching money from Fund interest will <u>not</u> be eligible for flood insurance under this program (it is not known whether such homes will be eligible for future flood insurance reimbursement under the proposed SAFCA program).
9. County staff time (at standard charge rates) will be reimbursed by Fund interest.

Program Goals

The goals of the program are:

- To provide financial mitigation for hydraulic impacts associated with the Laguna Stonelake development
- To maximize money available for future projects that reduce flooding and/or protect property in the BSL area
- To be equitable to all residents in the BSL area
- To be implemented in the simplest possible manner

Background

Flooding in the Beach-Stone Lake area

The Beach-Stone Lake (BSL) area is a low-lying area in the south part of Sacramento County. Over the last 150 years, changes to the Sacramento Valley have affected on flood elevations within the Beach-Stone Lake area. These changes range from levee improvements along the Sacramento River, construction of railroad levees, diverting Morrison Creek to the Mokelumne River, Reclamation District and other levee construction, and development within the Morrison Creek watershed. No single change has caused flooding in the BSL area; rather, the combination of factors has increased flooding over time.

Development upstream or within the basin can affect flood elevations in two ways.

First, *increased runoff from upstream development* ponds within the BSL area until conditions in the delta allow the water to drain out. A significant amount of development has occurred within the Morrison Creek Basin over the last 40 years. Development within the basin has had an incremental effect upon floodplain elevations within the BSL basin. Since 1989, developer impact fees in Sacramento County have been collected toward constructing a flood control project that mitigates this impact. The total amount to be collected for this is $7,000,000 (plus interest over time).

The second way to impact flood elevations is to *remove floodplain storage*. If during a flood event water has less of an area to be stored, then the water must increase in elevation since there is not the an equivalent area for the water to spread. The Laguna Stonelake project creates such a loss of floodplain storage. The mitigation measure to provide insurance to the residents of the BSL area is intended to address the impact of lost floodplain storage associated with the Laguna Stonelake development.

The Laguna Stonelake Project

The Laguna Stonelake project was originally approved by the County Board of Supervisors (Board) with a condition of approval that the project be flood neutral (meaning that it would not have adverse impacts on local flooding). A local citizen contacted the developer of the project and requested that they pay $2 million into a mitigation fund rather than performing the mass grading necessary to keep the project flood neutral. Since this represented significant savings in both cost and time, the developer agreed to the proposal.

On July 21, 1999, the Board approved a new condition of approval for the Laguna Stonelake project, allowing payment of $2 million into a drainage mitigation fund in lieu of mitigating the hydraulic impacts of the project on flooding. The primary intent of the mitigation fund is to provide short-term funding of flood insurance for BSL property owners, and long-term funding of a flood control project to reduce BSL flooding.

The actual condition of approval adopted by the Board is:

"The County shall use the fees provided by the owner/developer (or interest accrued therefrom) under the amended Rezone Condition No. 45 to implement measures to reduce the risk of damages that could occur as a result of project-generated increases in 100-year flood depths. Measures shall include, but may not be limited to, the following:

- *Providing flood insurance for downstream landowners at locations subject to measurable increases in the 100-year water surface elevations as a result of the proposed project.*
- *Compensation of property owners of affected structures for damages resulting from increased 100-year water surface elevations caused by the project*
- *Floodproofing existing structures in the downstream locations subject to measurable increases in the 100-year water surface elevations as a result of the proposed project.*
- *Floodproofing of individual structures clustered together subject to measurable increases in the 100-year water surface elevations as a result of the proposed project.*
- *Implementation of any Beach Stonelake Flood Control Plan, or a portion thereof, as ultimately approved by the Sacramento County Board of Supervisors."*

Pertinent Facts

- The Laguna Stonelake project increases the 100-year flood elevation in the BSL area by 0.1 feet.
- The Laguna Stonelake developer submitted a check for $2 million on August 24, 1999. The County placed the money in an interest bearing account on the same day.
- The mitigation fund will collect interest at the County pool treasury rate. This interest is approximately 5% at the current time. At that rate, interest of approximately $100,000 is estimated to be available to fund the flood insurance program at the end of the first year.

- The Board approved using a portion of the fund interest to help homeowners fund their share of elevating their homes under the Hazard Mitigation Grant Program. Each participating homeowner may use up to $6000 from the interest. It is expected that a maximum of $24,000 from fund interest will be used for this purpose.

Flood Insurance Program Issues

Several issues arise from implementing this flood insurance program, including:

- What is the eligible area?
- What structures qualify to be insured?
- Does it matter if a structure is above or below the federal base flood elevation?
- How much money will be available on a year to year basis for insurance?
- How else may the mitigation fund be used?
- How much coverage will be provided?
- What type of coverage (structure and contents) will be provided?
- Who obtains the policy?
- How long will the program be in effect?
- How soon will the program be implemented?

<u>Eligible Area</u>

Eligibility for mitigation fund subsidized flood insurance is based on areas impacted by increased flood elevations as a result of the Laguna Stonelake project. The eligible area is generally bounded by Hood-Franklin Road to the north, the Western Pacific Railroad tracks to the east, Lost Slough (RD 1002 south levee) to the south, and the old Southern Pacific Railroad tracks (Snodgrass Slough) to the west. There are a few residents west of the Southern Pacific tracks near the Beach Lake area that are also eligible. The attached map shows the eligible properties for this program.

<u>What Structures Qualify</u>

Staff has identified three types of structures within the Fund eligible area:

- Residences (this includes outbuildings, shops, etc.)
- Agriculture buildings with no residences on the property
- Commercial structures

<u>Structures Above/Below Base Flood Elevation</u>

The National Flood Insurance Program base flood elevation in the BSL area is 16.0 feet above mean sea level. This elevation represents the 100-year flood elevation (the elevation that has a one-percent chance of being exceeded in a given year) using conservative assumptions. The NFIP uses the base flood elevation as a determining factor in requiring flood insurance.

Staff recommends that all insurable structures, whether they are above or below the base flood elevation, be included in the flood insurance program.

Money Available Per Year for Insurance

The Board previously approved a policy stating that a temporary flood insurance premium funding program for BSL residents would be created *utilizing interest accrued from the mitigation fund.* Interest earned on this money is determined by the County treasury pool rate, which can vary from year to year and even day to day. For initial calculation purposes, staff assumes an average interest rate per year of 5% (as of this writing the rate is 5.22%). On a balance of $2,000,000 principal, $100,000 a year would be accrued at 5% interest.

It is anticipated at this time that there will be sufficient interest revenue available to provide flood insurance for all BSL structures, based on the recommended level of insurance coverage (see discussion, "Amount of Coverage" below). Should interest be insufficient to meet the flood insurance premium needs, staff will return to the Board for further direction.

Other Uses for the Fund

The condition of approval as adopted by the Board allows the interest earned, as well as the principal, to be used for other mitigation efforts. These mitigation efforts may be in the form of elevating or floodproofing structures. County staff is not proposing a policy regarding the use of Fund money for elevation or floodproofing of structures at this time. Any proposals by property owners to utilize the Fund in these ways will be reviewed by staff and forwarded to the Board for direction on a case-by-case basis.

The Board has already approved one such opportunity. As part of the County's Hazard Mitigation Grant Program (HMGP) home elevation program, the Board approved using up to $6000 of Fund interest per eligible home to offset a portion of the local cost share of elevating homes. In doing so, the Board cited the extraordinary nature of the HMGP and the relatively small number of eligible homes (most likely four or less).

Amount of Coverage

County staff compared various amounts of insurance coverage that can be provided to the residents. The five levels of coverage reviewed below are:

1. Minimum policy amount
2. Expanded coverage
3. Coverage for the amount left on the mortgage
4. Appraised value of the structure(s)
5. Depth of flooding

The total cost values given below are based on an estimate of 125 residences in the program and are for comparison purposes. All values are approximate and are intended to be conservatively high.

Minimum Policy Amount – The minimum amount of coverage provided with a National Flood Insurance Program (NFIP) policy for structures is $50,000 and contents is $15,000. In relation to the incremental rise in water surface elevation caused by development, this minimum amount of coverage would be sufficient to mitigate the impacts related to the development that has contributed to this fund. This policy also is equitable to all in the affected area since everybody receives the same amount of coverage regardless of the structure value. This type of coverage would also not be subject to change if the property owner makes changes to the property. **Cost to implement – $73,000.**

Expanded coverage– This option provides increased coverage limits of $100,000 for structures and $25,000 for contents. This obviously provides for a greater amount of coverage, which is important to properties that contain several outbuildings (since outbuildings are covered by the same policy and $50,000 might not provide sufficient coverage for outbuildings). Also, $15,000 of contents coverage appears to be minimal (if rugs, cabinets, furniture, etc are damaged). **Cost to implement - $83,800.**

Loan Amount - Within the flood insurance program, a property owner is required to insure the outstanding principal owed on the property if the loan is federally backed. The Board could adopt a position of fulfilling that requirement for residences within the BSL area. For property owners that own their land outright or owe less than $50,000, the minimum amount of coverage would still be provided. This approach to providing flood insurance in the area is <u>not</u> supported by staff. Several problems are foreseen:

- Different property owners would receive unequal benefits
- The amount of coverage would differ from year to year depending on the terms of the loan, increasing administrative complexity
- Property owners would be required to divulge the amount of their outstanding loans, personal information that homeowners may understandably be reluctant to provide.

Cost to implement – Unknown but under $100,000.

Structure Value - If funds are available, the total value of the structures on the property could be insured. Staff does not recommend using this approach because:

- The cost of this coverage might exceed the Fund's annual interest income, causing the $2,000,000 principal to be encroached
- The amount of coverage would be far excessive of the impact caused by the Laguna Stonelake development.
- This option would have similar issues to the previous option that would require the establishing of property values in the area.

Cost to implement – Unknown, possibly under $110,000.

Depth of Flooding – Different levels of flood insurance can be provided based on potential depth of flooding. This approach will cover the amount of damage that can actually occur during a 100-year storm event. Glanville Tract residences can be subject to flood depths up to 10 feet deep. Depth of flooding versus damage curves can be used to establish the amount of coverage required. The minimum amount coverage would still be $50,000. It has not been determined at this time whether a significant amount of interest will be generated to fund this type of coverage. While considered fair, this approach would require more administrative staff time than other options. **Cost to implement – Unknown** but under $100,000.

Staff Recommendation – Staff feels that the first two options are the best overall options because they are fair to all property owners, provide ample coverage related to the impact of the Laguna Stonelake project, and are relatively simple to administer. While the "Minimum Policy Amount" option may be sufficient to mitigate the impacts of the project, the "Expanded Coverage" option provides significantly larger coverage with only a minor increase in premium cost. Therefore, **staff recommends the "Expanded Coverage" option.**

Type of Coverage

Staff recommends that flood insurance be provided for both the structures and the contents within the structure. This type of coverage is:

- Fair to all owners
- Requires minimum of amount of administration costs
- Mitigates for the Laguna Stonelake development
- Allows interest to accrue for future flood control projects

Also, Increased Cost of Compliance coverage is also included in the policy. This will provide up to $15,000 for a resident to bring their structure into compliance (elevating structures to one-foot above the base flood elevation) if the structure is substantially damaged.

Who Obtains the Policy?

The County can obtain the flood insurance policy on behalf of the property owner, or the property owner can obtain the policy with the County reimbursing the property owner. The advantages and disadvantages are:

1. *The County purchases the insurance through the County's insurance carrier*:

   Advantages: This process would guarantee that all properties in the effected area would have flood insurance to mitigate impacts associated with development in the floodplain

Disadvantages: Property owners may wish to carry more than the coverage provided by the Fund. If so, the property owner would be required to carry a second policy on the property. Also, some property owners would prefer to obtain insurance through their our own insurance carrier rather than through the County's carrier.

2. *The County reimburses property owners that already have flood insurance or purchase their own insurance.*

   Advantage: This approach is simple to administer since the County will not be required to obtain insurance on property owner's behalves. The County would reimburse owners a set amount once shown proof of insurance. This will assist those that have been proactive and have been purchasing flood insurance all along.

   Disadvantage: This process will require that homeowners obtain flood insurance using their own money before they are reimbursed. This may cause some property owners not to get insurance. If a structure that does not have flood insurance floods, financial mitigation of the Laguna Stonelake project impacts has not been achieved. This potentially creates a liability to the Fund.

3. *The County sends a check to each property owner for the set amount of coverage and it is the homeowner's responsibility to obtain insurance.*

   Advantage: This is the simplest approach to administer.

   Disadvantage: As explained in 2. above, some property owners may choose not to obtain insurance, creating a potential liability to the Fund.

Staff recommends a mixture of method 1 and method 2. If property owners choose to do so, residents may purchase their own flood insurance and will be reimbursed at a set amount (based on approved coverage) from the Fund once proof is shown of the insurance. Alternatively, the County will purchase flood insurance through its insurance carrier for those property owners who choose not to purchase insurance on their own.

How Long Will the Program be in Effect?

The insurance program is intended to be temporary, until either:

- A flood control project is constructed to reduce flooding within the BSL area; or
- The Sacramento Area Flood Control Agency's (SAFCA) South Sacramento Stream Group project is constructed, at which time SAFCA will fund flood insurance for BSL residents.

It is expected that the SAFCA project will be under construction in approximately three to four years, although this is subject to change. It is not expected that a larger flood control project will be constructed until several years after that time. Therefore, County staff expects to utilize fund interest for flood insurance for approximately three or four years, after which SAFCA will provide flood insurance. After that, the mitigation fund will be allowed to grow and eventually be used to offset a portion of a project to reduce BSL flooding.

SAFCA has a similar type of program within the Dry Creek area and they are aware of our recommendations.

Timeframe to Implement

The winter season is approaching quickly and the time to have flood insurance in place is now. A new flood insurance policy will take 30 days to become effective from the day the policy is written. A flood insurance policy runs for 12 months and cannot be purchased for just the flood season. Also, the $2,000,000 was not deposited to the County until late August. This timeframe has not allowed sufficient interest to accumulate to cover the cost of providing insurance to all properties.

Staff proposes that funds be borrowed from the BSL mitigation portion of Zone 11A to provide flood insurance for this winter. Zone 11A would be reimbursed with interest once sufficient Fund interest has been accrued. This allows property owners to obtain flood insurance immediately rather than waiting for Fund interest to accrue.

P:\Shared Folders\DRAINDEV\BSL Local\BSL Insurance - smp version.doc

From:	Nottoli, Don
To:	Evans, Florence
Cc:	Clerk of the Board Public Email
Subject:	GIORGI: February 9, 2022 BOS Meeting - READ INTO THE RECORD
Date:	Monday, February 7, 2022 4:45:36 PM
Attachments:	FEMA Grant Taxability.pdf

Hello Flo,

Supervisor Nottoli asked that I provide this public comment from Alan Giorgi to be read into the record for the February 9 Board of Supervisors meeting.

Thank you!

Rebecca

Rebecca Thornton Sloan
Chief of Staff to Supervisor Don Nottoli
700 H Street, Suite 2450
Sacramento, CA 95814
(916) 874-5465

SACRAMENTO COUNTY

From: Alan Giorgi <algelkgrove@outlook.com>
Sent: Thursday, February 3, 2022 9:14 PM
To: Nottoli. Don <nottolid@saccounty.net>
Subject: February 9, 2022 BOS Meeting

Supervisor Nottoli,

I just read the Summary for the February 9, 2022, 2:30 Agenda Item - "Approve Revisions To The Beach Stone Lakes Flood Insurance And Flood Mitigation Programs"

First, Thank You. It's clear that your meeting with DWR influenced and shaped the Revisions to be considered next Tuesday. The inclusion of the lodging allowance, removal of the assertion that property owners only care about flood insurance reimbursement, removal of the punitive proposal for flood insurance administration going forward, the inclusion of a list of items that are included/excluded for reimbursement, etc. would not have occurred without your intervention. Thank you again.

Unfortunately, I will not be able to attend the Tuesday meeting to thank you in a public forum. I will be on an airplane headed to Fort Wayne, Indiana. However, I would appreciate you reading or having someone read into the record the following on my behalf -

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I regret that I am not able to attend today's meeting. I want to thank Supervisor Nottoli and the Department of Water Resources for working with the residents of the Beach Stone Lake area when crafting the proposal under consideration today. The proposal addressed concerns of the residents and incorporated suggestions that residents proposed. Assuming that the proposal is voted upon today, I would like to take this opportunity to look beyond the contents of the proposal and recommend the inclusion and approval of the following when voting.

1. To extend the life of the available funds for the program, waive plan review fees as well as on site inspection fees.
2. Create a dispute resolution program so that owners who disagree with a DWR disallowance of a cost for payment or reimbursement can file a formal request for reconsideration that will be reviewed and ruled upon by a person or committee outside the DWR.
3. Attachment 7 of the Sacramento County Department of Water Resources Hazard Mitigation Grant Program Guide For Property Owners addresses the Income Tax consequence of accepting funds from this program. It states that a form 1099 is required to be filed for payments over $600 and to consult a tax accountant or FTB for more information. This means if all 46 houses recommended for raising take advantage of the program, conceivably 46 requests will be made to FTB and tax accountants. However, on June 29, 2004, Robert Brown, Associate Chief Counsel (Income Tax & Accounting) of the Internal Revenue Service issued a memorandum pertaining to funds such as the ones for this program stating in his Summary and Conclusions "The foundation elevations provided to property owners under all of these programs are includible in the property owners' gross income under section 61. Property owners must include in income the cash amount of the grant." Rather than multiple contacts to FTB and multiple fees being paid to tax accountants, the county can contact the Internal Revenue Service and confirm whether or not there has been any change to the June 29, 2004 IRS memorandum and supply it or the most current interpretation in the Program Guide when explaining in the Guide, without endorsing any interpretation, that a 1099 form will be submitted.

Finally, thank you for your time and for considering these additional suggestions for inclusion.

Sincerely,
Alan Giorgi

Attachment: FEMA Grant Taxability

Office of Chief Counsel
Internal Revenue Service
memorandum

CC:ITA:BO4 Number: **200431012**
PRENO-123507-04 Release Date: 7/30/04

UILC: 61.40-00

date: June 29, 2004

to: Andrew E. Zuckerman
Federal State and Local Government T:GE:FSLG

from: Robert M. Brown
Associate Chief Counsel (Income Tax & Accounting) CC:ITA

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subject: FEMA Mitigation Programs

You have requested our views regarding the tax consequences of grant payments made under the Flood Mitigation Assistance Program (FMA), the Pre-Disaster Mitigation Program (PDM), and the Hazard Mitigation Grant Program (HMGP) that are used to elevate structures located on flood-prone properties owned by individuals and businesses. The programs are designed to mitigate the adverse effects of future disasters. We conclude that the foundation elevations provided to property owners under all three programs are includible in the property owners' gross income under § 61 of the Internal Revenue Code.

BACKGROUND: DESCRIPTION OF FEMA PROGRAMS

Overview of the FMA, the PDM, and the HMGP. Under these programs, the Federal Emergency Management Agency (FEMA) distributes funds to states, which set mitigation priorities and administer the programs. The states then assist communities with such mitigation programs as elevating or relocating flood-prone homes, acquiring vulnerable properties, and retrofitting structures. Once a project is approved, the local community becomes a subgrantee. Usually, the local community contracts out for the mitigation work; sometimes, however, the local government will have property owners arrange for contractors to perform the work, and then reimburse them for the costs. Thus, homeowners and business owners generally do not directly receive the cash proceeds of a grant. Also, communities may use grant funds to acquire properties from owners to restrict the land so acquired permanently to undeveloped open space. Participation of property owners in the programs is **voluntary**. In addition, the program is open to property owners regardless of income level and regardless of whether the property is used for personal (*e.g.*, a principal residence) or business use.

All projects under the programs must be cost-effective. This means that "the cost of funding of the project [must be] less than the cost of damages expected to be incurred in **future** disasters without the project, and that the project will substantially reduce the risk of **future** damage, hardship, loss or suffering resulting from a major disaster."[1] [Emphases added.] This cost-effective requirement has also been incorporated into regulations governing the programs. Thus, one criterion that a project under the HMGP must meet is that it–

> Will not cost more than the anticipated value of the reduction in both direct damages and subsequent negative impacts to the area if future disasters were to occur. Both costs and benefits will be computed on a net present value basis.[2]

That the purpose of the three programs is to reduce the effect of future disasters rather than relieve the effects of current disasters is made clear in FEMA's manual for its benefit-cost analysis software program, which states:

> The benefits of hazard mitigation are avoided **future** damages. Benefits are **not** the damages experienced in the declared event. ...
>
> Mitigation **may not** be cost-effective even though a particular facility experienced great damage in the declared event, if the event were a low probability (i.e., a 500- or 1,000 year) event. Conversely, mitigation **may** be cost effective even though the particular facility experienced little or no damage in the declared event **if** the probability of future damage is high.[3]

Payments may be made in one of two scenarios: (1) directly to the contractor pursuant to a contract entered into between the state and/or local government, the contractor, and the homeowner ("Contractor Payment") or (2) to the homeowner who in turn pays the contractor.

In the case of a Contractor Payment, the state or local government is responsible under a FEMA HMGP sample contract for the following:

- Bid document preparation, bid review, and review and limited inspection as necessary to assure reasonable compliance with codes for all project construction;

- Technical review and approval of construction activities;

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[1] Letter from [redacted] to Associate Chief Counsel (Income Tax & Accounting) Heather Maloy, 3 (undated).

[2] 44 C.F.R. § 206.434(b)(5); *see also* 44 C.F.R. § 78.11, containing a similar provision under the FMA.

[3] Federal Emergency Management Agency, *Benefit-Cost Analysis (BCA) of Hazard Mitigation Projects, Appendix 1 to the Riverine Flood-Full Data Module*, 3.

- Overall supervision of the contracts and sub-contracts during the construction phase; and
- Approval of project changes requested by the property owner.[4]

The Flood Mitigation Assistance Program (FMA). The FMA is authorized by 42 U.S.C. §§ 4104c-4104d, and was created as part of the National Flood Insurance Reform Act of 1994, to reduce or eliminate claims under the National Flood Insurance Program (NFIP). Congress believed that the FMA was necessary because "the NFIP has not taken adequate steps to mitigate against flood risk and thereby limit future losses to the Fund." S. Rep. No. 414, 103d Cong., 2d Sess. 26 (1994).

The FMA helps states and localities implement measures to reduce or eliminate the long-term risk of flood damage to buildings, manufactured homes, and other structures. Eligible projects include elevating, relocating, flood proofing, or demolishing insured structures, and acquiring insured structures and property.

FEMA may contribute up to 75 percent of total eligible costs; a nonfederal source must provide the remainder. A locality receiving a grant is not required to be in an area that is a Presidentially-declared disaster area. A project must be cost effective, cost beneficial to the National Flood Insurance Fund, and technically feasible. States are encouraged to prioritize grant applications that include repetitive loss properties.

The Pre-Disaster Mitigation Program (PDM). The PDM is authorized by § 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121 et seq. (the Stafford Act), as added by § 102 of the Disaster Mitigation Act of 2000, 42 U.S.C. § 5133. Under § 203(b) of the Stafford Act, 42 U.S.C. § 5131(b), the President may establish a program to provide technical and financial assistance to state and local governments to assist in the implementation of pre-disaster hazard mitigation measures that are cost-effective and are designed to reduce injuries, loss of life, and damage and destruction of property. Eligible projects include the acquisition or relocation of vulnerable properties consistent with the HMGP, hazard retrofitting for flood hazards (*e.g.*, elevation, hurricane shutters), and localized flood control projects. These activities are intended to reduce future losses, economic disruption, and disaster costs for the federal taxpayer. A grant recipient is not required to be located within a Presidentially-declared disaster area.

PDM projects are funded on a 75 percent federal, 25 percent nonfederal cost share basis. However, communities designated as small, impoverished communities receive funding on a 90 percent federal, 10 percent nonfederal cost share basis.[5] The authority

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[4] We have assumed that similar provisions apply to contracts under the PDM and FMA. These provisions bear only on the issue of whether state or local governments have information reporting obligations under § 6041 for Contractor Payments.

[5] A small impoverished community is defined as (1) a community of 3,000 or fewer individuals that is identified by the state as a rural community, and is not a remote area within the corporate

for the PDM terminates on December 31, 2004.[6] As of November 21, 2003, no grants had been awarded under the PDM.[7]

The Hazard Mitigation Grant Program (HMGP). The HMGP was created in 1988 by § 404 of the Stafford Act, 42 U.S.C. § 5170c. The HMGP provides funding to states and localities for implementing long-term hazard mitigation measures during the immediate recovery from a disaster. Projects must provide a long-term solution to a problem, such as elevating a home to reduce the risk of future flood damage rather than buying sandbags and pumps to fight the flood. Other eligible projects include acquiring real property, demolishing or relocating buildings, and retrofitting structures. Unlike the other programs, the HMGP requires mitigation projects to be located within a Presidentially-declared disaster area.

Like the other programs, HMGP funding is on a 75 percent federal, 25 percent nonfederal basis.

ISSUES:

1. Are the benefits that a property owner receives under the programs described above for elevating the foundation of a structure on that property excluded from gross income under the Stafford Act, the general welfare exclusion, § 102 (as a gift), or § 139 (as a qualified disaster relief payment), or as a government-created property right?

2. Do the benefits that the owner of a building receives under the programs described above for elevating the foundation of that building under the HMGP qualify for deferral of recognition of gain as an involuntary conversion under § 1033?

3. What amount must a property owner who receives a benefit under the programs described above for elevating the foundation of a structure on that property include in income?

4. Are state and local governments required to file information returns for payments made on behalf of homeowners under the FMA, the PDM, and the HMGP?

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boundaries of a larger city, and (2) economically disadvantaged, with residents having an average per capita annual income not exceeding 80 percent of national per capita income. *See* Notice of Availability of Pre-Disaster Mitigation Planning Grants, 68 F.R. 10018 (March 3, 2003).

[6] H.R. 3181, 108th Cong. 1st Sess., § 2 (2003) extends the authority for the PDM to September 30, 2006, and extends to September 30, 2005, the due date of a Congressional Budget Office report estimating the reduction in Federal disaster assistance that has resulted and is likely to result from the PDM. H.R. 3181 was passed by the House. It was referred to the Senate Committee on Environment and Public Works on December 9, 2003.

[7] *See* 149 Cong. Rec. H12127 (daily ed. Nov. 21, 2003) (statement of Rep. Blumenauer).

5. Are state and local governments required to file information returns for payments made directly to contractors under the FMA, the PDM, and the HMGP?

DISCUSSION

Exclusion under the Stafford Act. It has been argued that Congress never intended property owners to pay income taxes on the value of the improvements they receive under these three programs or any other FEMA mitigation programs. The statutes authorizing the FMA, the PDM, and the HMGP, and the legislative history of those statutes, however, do not address the federal tax treatment of the payments. By contrast, Congress has mandated that Federal major disaster assistance provided to individuals and families (under various federal and state programs, including the PDM and HMGP) not be considered as income or a resource when determining eligibility for or benefit levels under federally funded income assistance or resource-tested benefit programs. Section 312(d) of the Stafford Act, 42 U.S.C. § 5155. The combination of Congress' silence on the tax treatment of benefits received under these programs and its specific proscription on counting the value of the benefits as income for specified nontax purposes, suggests that Congress intended the income tax treatment of such payments to be determined solely under the provisions of the Internal Revenue Code.
Government Grant of Property Rights. Rev. Rul. 67-135, 1967-1 C.B. 20, addresses the Bureau of Land Management's noncompetitive leasing of oil and gas rights on Federally-owned lands that are not within any known geological structure of a producing oil and gas field. Under the Bureau's procedures applicants pay both a filing fee and the first year's rental. If there is more than one applicant, the lessee is selected by a lottery drawing; nonselectees are refunded the first year's rental. The ruling holds, without rationale, that the excess of the fair market value of the lease over its cost to the lessee is not income to the taxpayer-lessee under §§ 61 or 74 (pertaining to prizes and awards).

In addition, Rev. Rul. 92-16, 1992-1 C.B. 15, holds, without rationale, that the Environmental Protection Agency's allocation of sulfur dioxide emission allowances to certain utilities under Title IV of the Clean Air Act Amendment of 1990, 42 U.S.C. § 7651 *et seq.,* does not cause the utilities receiving such allowances to realize income under § 61.

In recent years the Service has issued several private letter rulings and technical advice memoranda stating that these two revenue rulings stand for the proposition that the government's granting of a transferable right or the creation of rights under regulatory and licensing arrangements will usually not result in the recognition of income to the recipient of those rights.[8] Benefits that property owners receive under the FEMA programs are specific tangible improvements integrated into their real property rather

[8] *See* LTR 2001-10-022 (December 7, 2000) and LTR 2002-17-052 (January 29, 2002) (state issuance of a financing order to a deregulated utility that creates a property right does not result in income under § 61); TAM 2001-19-007(January 17, 2001) (taxpayer did not realize income under § 61 for "supervisory goodwill" that was considered an asset for federal banking regulation purposes).

than a new separate right or property interest granted by the government. Thus, the rationale for the holdings in Rev. Ruls. 67-135 and 92-16 expressed in recent TAMs and PLRs does not apply to the FEMA programs.

The General Welfare Exclusion. Section 61(a) and the Income Tax Regulations thereunder provide that gross income means all income from whatever source derived, except as otherwise provided by law. Under § 61 Congress intends to tax all gains or undeniable accessions to wealth, clearly realized, over which the taxpayers have complete dominion. *Commissioner v. Glenshaw Glass Co.*, 348 U.S. 426, 431 (1955), 1955-1 C.B. 207.

Although § 61 provides for broad includibility in gross income, the Service has held that payments to individuals by governmental units under legislatively provided social benefit programs for the promotion of general welfare are not includible in the recipient's gross income. *See*, *e.g.*, Rev. Rul. 76-395, 1976-2 C.B. 16 (home rehabilitation grants received by low-income homeowners residing in a defined area of a city are in the nature of general welfare and thus are not includible in their gross income).

This administrative exception to the general rule of broad includibility under § 61 (the "general welfare exclusion") has generally been limited to payments by governmental entities to individuals (and not businesses) experiencing either (1) disaster-related necessary expenses or serious needs in the aftermath of a major disaster (*see*, *e.g.*, Rev. Rul. 76-144, 1976-1 C.B. 17) or (2) economic need (usually tested by income level). Absent a disaster, the Service generally limits application of the general welfare exclusion to situations based on economic need. *See*, *e.g.*, Rev. Rul. 78-170, 1978-1 C.B. 24 (payments made by Ohio to low-income elderly or disabled residents to reduce their cost of winter energy consumption are not includible in gross income). Conversely, the Service has explicitly declined to apply the general welfare exclusion to governmental programs that are payable to individuals without regard to their financial status, health, educational background, or employment status. *See* Rev. Rul. 85-39, 1985-1 C.B. 21 ("dividend payments" made by the State of Alaska to distribute equitably its energy wealth to the people of Alaska, encourage persons to maintain their residence in Alaska, and reduce population turnover are includible in income under § 61).

In addition, the Service generally has declined to apply the general welfare exclusion to payments to businesses. *See*, *e.g.*, Rev. Rul. 76-75, 1976-1 C.B. 14 (interest reduction payments made by the United States Department of Housing and Urban Development to a mortgagee on behalf of a limited-profit corporation that acquires and leases apartments in a lower income rental housing project are includible in the corporation's gross income). *See also Graff v. Commissioner*, 74 T.C. 743 (1980), *aff'd,* 673 F.2d 784 (5th Cir. 1982), which reaches the same conclusion as Rev. Rul. 76-75.

We believe that the payments made under these three programs provide the property owners with accessions to wealth within the scope of § 61. FEMA's Publication 347, which discusses the benefits of elevating, states that elevating a flood-prone house "can improve the appearance of the house, can increase space in the house usable for parking and storage, and can add to the value of the house."[9] *Compare* Rev. Rul. 79-264, 1979-2 C.B. 92 (taxpayer did not realize income under § 61 when it permitted a neighboring company to install an air pollution scrubber on its property because the taxpayer had no obligation to reduce air pollution, the scrubber did not increase taxpayer's capacity, revenue, or cost savings, or extend the life of taxpayer's facilities, and the neighboring company retained title and beneficial ownership of the scrubber). We also believe that such accessions to wealth fall far beyond the scope of the general welfare exclusion as set forth in longstanding Service position. FEMA's mitigation function is separate and distinct from its crisis and short-term recovery functions. Payments to help individuals pay for expenses incurred because of a flood that is a Presidentially-declared disaster clearly qualify under the general welfare exclusion. See Rev. Rul. 76-144. The mitigation programs, however, reduce the long-term risk of **future** damage rather than help victims cope with the necessary expenses or serious needs that arise in the immediate aftermath of a disaster.

It might be argued that payments under the HMGP qualify under the general welfare exclusion because they implement mitigation measures after a Presidential disaster declaration, and limit funding to communities that are within a Presidentially-declared disaster area. We disagree. The general welfare exclusion depends on the purpose and intent of the payments–not merely their timing and location. Payments under the HMGP are not made to aid property owners with necessary expenses they incur due to the current disaster. Instead, the mitigation programs' payments are made solely to reduce the long-term risks and costs of **future** disasters. As noted above on page 2, FEMA will fund elevation improvements to a property located within a Presidentially-declared disaster area that was **not** damaged in the flood, if the probability of future damage is high and will not fund such improvements to a property so located that was severely damaged in the flood, if the probability of the recurrence of a disaster is low. Thus, the criteria for a property owner to participate in a structure elevation project are inconsistent with the criteria for general welfare exclusion for disaster relief payments as expressed in longstanding Service position. *See* Rev. Rul. 76-144.

Further, the receipt of benefits under the three programs is neither means-tested nor based on a recipient's personal financial status, health, educational background, or employment status. In addition, the payments are available to properties used for both personal and business use. Although FEMA will provide a greater percentage of payments in small impoverished communities under the PDM, participation in a project by a property owner is not based on the family or individual need of the property owner; property owners may qualify under the PDM regardless of their income level and even if the property is for business use.

Thus, the benefits received by property owners under the FEMA mitigation programs do not qualify for exclusion under the general welfare exclusion.

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[9] Federal Emergency Management Agency, *Publication 347: Above the Flood: Elevating Your Floodprone House*, page 5-1 (May 2000).

Section 102. Section 102 provides that gross income does not include the value of property acquired by gift. Under § 102(a), a gift must proceed "from a 'detached and disinterested generosity,' . . . 'out of affection, respect, admiration, charity or like impulses.'" *Commissioner v. Duberstein*, 363 U.S. 278, 285 (1960), 1960-2 C.B. 428. On the other hand, payments that proceed "primarily from the 'constraining force of any moral or legal duty' or from 'the incentive of anticipated benefit' of an economic nature" are not gifts. *Duberstein* at 285. We believe that § 102 does not apply to the mitigation payments because Congress' intent in establishing the programs proceeds, not from detached or disinterested generosity, but from the anticipated economic benefit the Federal government will derive from reduced expenditures to alleviate the costs of future disasters. As noted above, to qualify for a grant under the mitigation programs, the net present value of the cost of a project must not be more than the net present anticipated value of the reduction in both direct damages and subsequent negative impacts to the area if a future disaster were to occur.

Section 139. Section 139(a) excludes from gross income any amount received by an individual as a qualified disaster relief payment. Section 139(b)(1) provides, in part, that the term "qualified disaster relief payment" means any amount paid to or for the benefit of an individual:

(1) to reimburse or pay reasonable and necessary personal, family, living, or funeral expenses incurred as a result of a qualified disaster (§ 139(b)(1));

(2) to reimburse or pay reasonable and necessary expenses incurred for the repair or rehabilitation of a personal residence, or repair or replacement of its contents, to the extent that the need for such repair, rehabilitation, or replacement is attributable to a qualified disaster (§ 139(b)(2)); or

(3) if such amount is paid by a Federal, state, or local government, or agency or instrumentality thereof, in connection with a qualified disaster in order to promote the general welfare (§ 139(b)(4)). Thus, § 139(b)(4) codifies (but does not supplant) the administrative general welfare exclusion with respect to certain disaster relief payments to individuals.[10]

We believe that payments under mitigation programs do not qualify for exclusion from income under § 139. As noted above under the general welfare exclusion discussion, the payments do not qualify under § 139(b)(4) because they are not made to promote the general welfare.

[10] A "qualified disaster" includes (i) a disaster in an area that has been subsequently determined by the President to warrant federal assistance under the Disaster Relief and Emergency Assistance Act (*i.e.*, the Stafford Act), (ii) a disaster resulting from an event that the Secretary has determined to be of a catastrophic nature, and (iii) for amounts described in § 139(b)(4), a disaster that is determined by an applicable governmental authority to warrant governmental assistance. *See* § 139(c).

Payments under the FMA and PDM clearly cannot qualify under § 139, because grants under these programs are made without regard to whether the community receiving the grant is within a Presidentially-declared disaster area or is suffering from an event of a catastrophic nature. It might be argued that benefits a property owner receives under the HMGP, which funds mitigation programs within a Presidentially-declared disaster area during the immediate recovery from a disaster, meet the requirements of § 139(b). However, as discussed above, the payments are not intended to reimburse reasonable or necessary expenses attributable to a disaster; rather, they are specifically targeted to reduce long-term expenses by mitigating the effects of a **future** disaster. Therefore, we believe that § 139(b) does not apply to any benefits property owners receive under the FMA, the PDM, or the HMGP.

Section 1033. In general, taxpayers who receive payments as compensation for property damaged or destroyed by a natural disaster or catastrophe are eligible to defer recognition of the gain realized on the payments, if they otherwise comply with the provisions of § 1033. Under the HMGP, grants for building elevation provided to property owners are intended to implement a long-term hazard mitigation measure after a major disaster declaration rather than compensate the owners for property damaged or destroyed by a major disaster. Therefore, § 1033 does not apply.[11]

Amount Required to be Included in Income. A property owner whose building is elevated under the HMGP, the PDM or the FMA includes in income the cash amount of the grant specified in the contract with that property owner. Even in the contracts which FEMA states that the homeowner is only nominally involved a specific cash grant amount is allocated to the project for each home.[12] Because the taxpayer owns the property that is being elevated, the taxpayer is buying services rather than property.[13] Thus, the taxpayer should include in income the value of the services being provided by the contractor, not the amount by which the value of the property is increased due to the elevation of the building. This view is expressed in Rev. Rul. 79-24, 1979-1 C.B. 60, which holds that a lawyer who is a member of a barter club and receives in a barter exchange painting services for his house had to include in income the value of the painting services. The Service also came to this conclusion in Rev. Rul. 56-181, 1956-1 C.B. 96, which involves a homeowner who receives free installation of louvered windows, jalousies, awnings, *etc.*, on his home by the manufacturer of the products in

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[11] Eligible mitigation projects may include the acquisition of a principal residence. Section 121, which excludes from income up to $500,000 of the gain from the sale of a principal residence, will apply to gain realized by taxpayers who sell their homes to a local government under a mitigation program if the taxpayers otherwise meet the requirements of § 121.

[12] A sample contract states, “The Owner [homeowner] will pay the Contractor from funds awarded and administered through the County for the performance of the Contract the sum of $[specific dollar amount] for the work.”

[13] In this connection compare § 1.61-2(d)(1) which provides that if a taxpayer receives compensation in the form of services he must include in income the value of the **services** received and § 1.61-2(d)(2) which provides that if a taxpayer receives compensation in the form of property, he must include in income the value of the **property** so provided.

exchange for allowing his home to be used in advertising photographs and demonstrating the products. Rev. Rul. 56-181 holds that the taxpayer includes in income the excess of the value of the products installed over the value of the replaced products prior to removal. In neither revenue ruling did the Service conclude that the value of the services provided to the taxpayer was the increase in the value of the home due to the provision of the services provided (*i.e.*, the painting services or the installing of the windows, *etc*.).

Information Reporting. Section 6041 requires all persons engaged in a trade or business and making payment in the course of such trade or business to another person of compensations, remunerations, emoluments, or other fixed or determinable gains, profits, and income of $600 or more in any taxable year, to file an information return with the Service and to furnish an information statement to the payee. Section 1.6041-1(b)(1) and (i) provides that payments made by a state or a political subdivision are subject to this reporting requirement.

Section 1.6041-1(c) provides that payments are fixed when they are paid in amounts definitely predetermined. Income is determinable whenever there is a basis of calculation by which the amount to be paid may be ascertained. As used in § 6041, the term “gains, profits, and income” means gross income and not the gross amount paid. A payor generally is not required to make a return under § 6041 for payments that are not includible in the recipient’s income, nor is a payor required to make a return if the payor does not have a basis to determine the amount of a payment that is required to be included in the recipient’s gross income.

Section 1.6041-1(e) provides that a person that makes a payment in the course of its trade or business on behalf of another person is the payor that must make a return of information under this section with respect to that payment if the payment is described in § 1.6041-1(a) and, under all the facts and circumstances, that person—

i. Performs management or oversight functions in connection with the payment (this would exclude, for example, a person who performs mere administrative or ministerial functions such as writing checks at another’s direction); or

ii. Has a significant economic interest in the payment (*i.e.*, an economic interest that would be compromised if the payment were not made, such as by creation of a mechanic’s lien on property to which the payment relates, or a loss of collateral).

In some cases, there may be more than one person that meets the definition of a middleman, in which case the person closest to the payee is required to report the payment. If more than one person qualifies, the parties may then agree on who will report the payment. *See* § 1.6041-1(e)(2).

Section 1.6041-1(h) provides that for purposes of a return of information, an amount is deemed to have been paid when it is credited or set apart to a person without any substantial limitation or restriction as to the time or manner of payment or condition upon which payment is to be made, and is made available to him so that it may be drawn at any time, and its receipt brought within his own control and disposition.

Information Returns for the Homeowners. In both scenarios, because the entire amount of the grant is includible in the homeowner's gross income, the state or local government is required to report this amount under § 6041. However, under § 1.6041-1(h), the state or local government should report payments in the year made if the payments made during the calendar year are $600 or more, rather than the year the grant is awarded, because the terms of the contract present a substantial limitation and restriction as to the time or manner of payment or condition upon which payment is to be made.[14]

Information Returns for the Contractors. In the Contractor Payment scenario, a contract is entered into between the state or local government, a homeowner, and a contractor whereby the state or local government makes payments directly to the contractor. Under the contract, the state or local government is performing management and oversight functions in connection with a payment to a contractor, and is therefore considered the payor required to file Form 1099, even though the payment is being made on behalf of a homeowner who would not be required to file Form 1099. *See* 1.6041-1(e).

The payment to the contractor is reportable by the state or local government under § 6041 unless an exception applies. Payments made directly to contractors to perform services under the FEMA mitigation grant programs are "fixed and determinable income" and are generally reportable on Form 1099, if the amount paid to a payee in a calendar year is $600 or more and no exception applies under § 1.6041-3. For example, reporting is not required if the payee is a corporation or the payment is for materials.

SUMMARY AND CONCLUSIONS

The foundation elevations provided to property owners under all of these programs are includible in the property owners' gross income under § 61. Property owners must include in income the cash amount of the grant.

State and local governments are required to file information returns for payments made on behalf of a homeowner under § 6041 in the year(s) that the payment(s) is made if the payments are $600 or more during any calendar year.

State and local governments are required to file information returns for payments made directly to a contractor under § 6041 if the payments are $600 or more during a calendar year unless an exception applies (*e.g.*, information reporting is not required if a payee is a corporation or the payment is for materials).

[14] This conclusion is consistent with the year of inclusion rules for cash basis taxpayers under § 451.

If you have any questions, please call Michael J. Montemurro at 622-7101 or Sheldon Iskow at 622-8533.

COUNTY OF SACRAMENTO
BOARD OF SUPERVISORS

MEETING DATE:
WEDNESDAY, FEBRUARY 9, 2022

NO MATERIAL

COUNTY EXECUTIVE COMMENTS

COUNTY OF SACRAMENTO
BOARD OF SUPERVISORS

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Supervisors Comments, Reports And Announcements