



THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

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TO: Three Rivers Levee Improvement Authority Board
FROM: Paul Brunner, Executive Director
SUBJECT: Benefit Assessment District Workshop

Purpose of Workshop:

Allow the Three Rivers Levee Improvement Authority (TRLIA) Board their first opportunity to fully consider details of a proposed benefit assessment district for approximately 13,800 parcels in the communities of Olivehurst, Linda, Arboga and Plumas Lake and provide direction to staff.

Background:

When Three Rivers Levee Improvement Authority (TRLIA) was created by Reclamation District (RD) 784 and Yuba County as a Joint Powers Authority, it was empowered to accomplish a wide variety of tasks, including the ability to finance, create community facility districts, **assessment districts**, or other financing districts, and construct/repair, acquire property, and jointly maintain significant levee improvements with RD 784.

On July 11, 2006, the TRLIA Board opted to begin the process to form an Assessment District that would provide funding to maintain the Reclamation District 784 levees that are significantly being improved by TRLIA to a much high level standard. This higher standard essentially transforming the maintenance practices from rural to a modern urban program. This higher level of levee maintenance is required by numerous funding agreements that TRLIA has signed with the State and Development Community. It is also a critical component of the FEMA levee accreditation process.

On September 26, 2006, SCI Consultants (SCI) was selected to perform the tasks needed to determine if an Assessment District was viable and, if so, prepare the Engineer's Report for the TRLIA Board to consider forming the District.

SCI has worked with a wide spectrum of stakeholders and has prepared a Draft Engineers Report that provides the needed information to form a **Benefit Assessment District** pursuant to the Benefit Assessment Act of 1982. The formation of such an Assessment

District is subject to the procedures outlined within Proposition 218 – Right to Vote on Taxes Act.

- ❖ Approved November 6, 1996
- ❖ Articles XIII C and XIII D of the California Constitution

A Benefit Assessment District has these characteristics:

- ❖ Assessment must be based on benefit to the property
- ❖ Voted on by property owners
- ❖ Votes are weighted by the proposed assessment
- ❖ Approval requires support of 50 percent of returned ballots, weighted by proposed assessment
- ❖ Procedure and most requirements governed by Proposition 218
- ❖ Benefit calculation and assessment methodology described in an Engineer's Report

Discussion

The Draft Engineer's Report provides details on the proposed Assessment District, to include:

- ❖ Need for the Assessment District.
 - Aggressive repair and maintenance program will reduce the risk of flooding
 - Funding for levee operations & maintenance is **required** for levee accreditation by the FEMA
 - If FEMA maps are finalized as currently proposed, then land use options (e.g. building) and flood insurance rates will be impacted (\$2,200/year increase)
 - If levees are accredited by FEMA, then property owners will remain eligible for low-cost flood insurance
 - RD 784 revenues are not adequate to fund the requirements of **urban** levee O&M
 - Assessment District will generate revenues to maintain high level of urban flood protection
 - Depending upon local growth – future repayment of Levee Local-Share Capital Improvements
 - Finalization of preliminary flood maps are affected by TRLIA's progress
- ❖ Proposed Assessment Boundaries.
 - The outer boundary of the proposed District is based on water flow modeling
 - The interior area of the proposed District is broken into separate areas that receive different levels of Benefit based on depth of flooding and percentage of TRLIA improved levees protecting their property.

- The proposed District is larger than existing RD784 boundaries to include property owners that today are receiving benefit but not contributing to levee maintenance costs.
- ❖ Estimate of the additional revenues that are needed.
 - It's estimated that RD 784 will need an additional \$800,000 each year to meet urban standards for levee operations and maintenance.
 - Increased maintenance requirements include: increased manpower and higher technical skills; more frequent inspections; improved levee maintenance equipment; non-burn vegetation management; acquisition and maintenance of flood fighting and maintenance easements; and, repairs, when needed.
 - As proposed, future growth within the assessment district could potentially allow for the repayment of local advance funding of improvements (Yuba County and YCWA jointly provided nearly \$50 million toward the local cost of Feather River levee improvements); however, funding for repayment is not included in the proposed assessment revenues at this time.
- ❖ Determination of Assessment for property owners within the proposed District.
 - The proposed annual assessment is based on several factors, to include benefit derived from levee improvements and land use (i.e. residential versus agriculture).
 - Rates for property owners within the current RD784 District have been adjusted to reflect the portion of the existing RD 784 assessment that funds levee maintenance.
 - The analysis results in rates that are based on the amount of benefit received. The proposed assessment for a residential home on one acre or less ranges from **\$11 to \$148 per year** depending upon the benefit zone (includes RD 784 adjustment were applicable)

The proposed schedule for the formation of the Benefit Assessment District is:

- ❖ Board Resolution March 3
- ❖ Ballots Mailed March 24
- ❖ Public Hearing May 12
- ❖ Tabulation of Ballots May 13 – 29
- ❖ Final Board Resolution June 2

Fiscal Impact

Nearly \$390 million is being invested in levee improvements in South Yuba County.

- ❖ Once completed, the improvements will provide 200-year flood protection.
- ❖ An aggressive operations and maintenance program will reduce the risk of flooding over the long-term.

TRLIA Benefit Assessment is initially projected to generate **\$800,000/yr.**

Growth within Assessment District may potentially generate future additional revenues to repay Yuba County and YCWA for their advance funding of levee improvements.

Initially, no funding is allocated for this item

TRLIA will enter into an agreement with RD 784 to perform the additional required maintenance.