



City Council Report

915 I Street, 1st Floor

Sacramento, CA 95814

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File ID: 2019-00510

May 14, 2019

Consent Item 19

Title: Reimbursement of Planning Costs for the Jacinto Creek Planning Area

Location: District 8

Recommendation: Adopt a Resolution: 1) increasing the expenditure budget in the Jacinto Creek Planning Area (JCPA) Project (I22205100) by \$208,870 with a transfer from available fund balance in the JCPA Fee Fund (Fund 3203); and 2) authorizing the City Manager or City Manager's designee to reimburse the original land owners as reflected on Exhibit A, or their verified successors in interest.

Contact: Eric Frederick, Program Specialist, (916) 808-5129; Sheri Smith, Special Districts Manager, (916) 808-7204, Department of Finance

Presenter: None.

Attachments:

1-Description/Analysis

2-Resolution

3-Exhibit A: Reimbursement Amounts

Description/Analysis

Issue Detail: On January 7, 1997, City Council adopted Resolution No. 97-011 and Ordinance No. 97-002, thereby forming the JCPA fee district, adopting the Financing Plan and Nexus Study (Finance Plan), and establishing the JCPA Facilities Fee. To assist with these actions, landowners within the JCPA provided advance funding of certain costs associated with the planning and preparation of planning studies and the Finance Plan.

On March 30, 1999, City Council adopted Resolution No. 99-138, thereby authorizing the execution of the *Reimbursement Agreement by and Between the City of Sacramento and Landowners in the Jacinto Creek Planning Area Relating to Private Funding of Jacinto Creek Planning Area Planning Costs* (Agreement #99-060). The City entered into Agreement #99-060 with eight separate landowners to reimburse them for advance funded planning costs if sufficient amounts of the “developer planning fund component” of the JCPA Facilities Fee are collected.

On March 15, 2000, Bruceville/Sheldon Partners assigned its full reimbursement rights to Mark Skreden under an Assignment and Assumption Agreement (Agreement #2000-131). On November 28, 2000, J&L Properties assigned a portion of its reimbursement rights to Beazer Homes under an Assignment and Assumption Agreement (Agreement #2000-663). As a result of these changes nine land owners are due reimbursement for costs originally incurred.

As of July 1, 2018, a total of \$208,870 is still owed to landowners under Agreement #99-060, Agreement #2000-131 and Agreement #2000-663 (collectively, the “Agreements”) based on amounts previously reimbursed and with the remaining balances adjusted each year for inflation. With the recent increase in development activity, staff has verified that sufficient resources for the developer planning fund component of the JCPA Facilities Fee are available to fully reimburse the landowners for the outstanding amount, fulfilling the City’s obligations under the Agreements. To complete these reimbursements, the expenditure budget of the JCPA Project (I22205100) must be increased by the \$208,870 owed to landowners.

Policy Considerations: The recommendations in this report are consistent with the JCPA Finance Plan adopted in 1997 and updated in 2005, 2016, and 2017, and with the original reimbursement agreements.

Economic Impacts: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA): Under CEQA Guidelines, continuing administrative activities do not constitute a project and are therefore exempt from review (14 Cal. Code Regs. §15378(b)(5)).

Sustainability: Not applicable.

Commission/Committee Action: None.

Rationale for Recommendation: Increasing the expenditure budget of the JCPA Project is required to reimburse landowners under the Agreements.

Financial Considerations: The developer planning fund component of the JCPA Facilities Fee that is collected, and the associated interest, is accounted for in Fund 3203. This component of the JCPA Facilities Fee was established to provide funding for the planning and preparation of planning studies and the JCPA Finance Plan. The \$208,870 will be disbursed from available fund balance of the JCPA Fee Fund (Fund 3203) to nine property owners, as set forth in Exhibit A to the resolution, or their successors in interest that have been verified by the City Manager or City Manager's designee. The recommended action will not affect the General Fund.

Local Business Enterprise (LBE): Not applicable.

RESOLUTION NO.

Adopted by the Sacramento City Council

Appropriating Jacinto Creek Planning Area Fee Revenue and Associated Interest to Reimburse Landowners for Planning Costs

BACKGROUND

- A. On June 20, 1995, the City Council adopted Resolution No. 1995-0351, which amended the South Sacramento Community Plan and created the Jacinto Creek Planning Area (the “**JCPA**”) to provide for the orderly development of the area bounded by Sheldon Road on the South, West Stockton Boulevard on the East, Bruceville Road on the West, and Cotton Lane on the North. The JCPA was established as a primarily residential community with City-owned public improvements including parks, an extensive drainage basin system, and roadways.
- B. On January 7, 1997, the City Council adopted Resolution No. 97-012, which established the amount of the Jacinto Creek Infrastructure Fee (the “**JCPA Fee**”) in accordance with the Mitigation Fee Act to fund drainage, water, and roadway improvements. The JCPA Fee is comprised of various component fees that cover facilities and related matters described in the JCPA Financing Plan and Nexus Study (the “**Finance Plan**”) dated November 20, 1996 and approved by Resolution No. 1997–011 on January 7, 1997.
- C. JCPA landowners provided advance funding of certain costs related to developing the JCPA community plan, the community plan Environmental Impact Report, the Finance Plan, and the facilities plans. These advanced costs were included in Finance Plan and a separate JCPA Fee component was identified to earmark JCPA Fee revenue in order to reimburse property owners for their contributions (the “**Planning Fee Component**”).
- D. On March 30, 1999, City Council adopted Resolution No. 99-138, authorizing the execution of the *Reimbursement Agreement by and Between the City of Sacramento and Landowners in the Jacinto Creek Planning Area Relating to Private Funding of Jacinto Creek Planning Area Planning Costs* (“**Agreement #99-060**”). The City entered into Agreement #99-060 with eight separate landowners to reimburse them for advance funded planning costs if sufficient amounts of the Planning Fee Component are collected.

- E. On March 15, 2000, Bruceville/Sheldon Partners assigned its full reimbursement rights to Mark Skreden under an Assignment and Assumption Agreement (“**Agreement #2000-131**”).
- F. On November 28, 2000, J&L Properties assigned a portion its reimbursement rights to Beazer Homes under an Assignment and Assumption Agreement (“**Agreement #2000-663**”), bringing to the total number of landowners due a reimbursement to nine.
- G. The initial reimbursement amounts owed to landowners was outlined in Exhibit C to Agreement #99-060. As of July 1, 2018, a total of \$208,870 is still owed to landowners under Agreement #99-060, Agreement #2000-131, and Agreement #2000-663 based on amounts previously reimbursed and with the remaining balances adjusted each year for inflation.
- H. With the recent increase in development activity in the JCPA, staff has verified that sufficient Planning Fee Component revenue has been collected to fully reimburse the landowners for the outstanding amount of \$208,870 and fulfill the City’s obligations under Agreement #99-060, Agreement #2000-131, and Agreement #2000-663.

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

- Section 1. The City Council finds and determines that background statements A through H are true and correct.
- Section 2. The JCPA Project (I22205100) expenditure budget shall be increased by \$208,870 with a transfer from the JCPA Fee Fund (Fund 3203).
- Section 3. The City Manager is hereby authorized to distribute the appropriated funds in accordance with, and to the landowners identified in, Exhibit A, or their verified successors in interest as determined by the City Manager or City Manager’s designee.
- Section 4. Exhibit A is part of this resolution.

Table of Contents:

Exhibit A – Reimbursement Amounts

Exhibit A

Reimbursement Amounts

Landowner	Total Credits as of 6/30/2018	Inflation Posted 7/1/2018 3.49%	Credit Balances 7/1/2018
J&L Properties	\$10,742.69	\$375.02	\$11,117.71
Rose Karadsheh	\$6,075.53	\$212.09	\$6,287.62
Y.C. Lu	\$12,800.10	\$446.85	\$13,246.95
J W Bill Stone Profit	\$12,411.59	\$433.28	\$12,844.87
Live Oak Associates	\$71,521.62	\$2,496.79	\$74,018.41
Raymus Development	\$50,743.16	\$1,771.42	\$52,514.58
Mark Skreden	\$5,994.98	\$209.28	\$6,204.26
Sheldon Farms	\$26,847.02	\$937.22	\$27,784.24
Beazer Homes	\$4,687.66	\$163.64	\$4,851.30
Totals	\$201,824.35	\$7,045.59	\$208,869.94