

Staff Report

SUMMARY

Resolution Nos. 86–54, 86–55, 86–56, 86–57, and 90–7 require that a public hearing on required benefit assessments be held and that rates for fiscal year (FY) 2024–25 be set before August 1, 2024. Staff recommends that the Board adopt the attached resolution that would direct staff to set benefit assessments at the level estimated to raise the required annual revenue to meet debt obligations and covenants for outstanding flood protection Certificates of Participation.

The revenue for each flood zone required to be collected from benefit assessments to meet authorized obligations is summarized in Figure 1 below. Also, shown for comparison purposes are the required revenues for FY 2023–24.

FIGURE 1
Flood Control Benefit Assessments
Fiscal Years 2023–24 & 2024–25 Required Revenue

Flood Control Zone	Required Revenue 2023–24	Required Revenue 2024–25
Northwest	\$2,731,941	\$2,731,077
North Central	\$819,513	\$819,254
Central	\$950,695	\$910,590
East	\$2,459,231	\$2,458,454
South	\$0	\$0
TOTAL	\$6,961,380	\$6,919,375

STAFF ANALYSIS:

Flood control benefit assessments were last authorized by the voters in 1986 in the Northwest, Central, East and South flood control zones, and in 1990 in the North Central flood control zone to provide flood protection. Since June 30, 2000, these benefit assessments have been limited to the annual revenue requirements to meet duly authorized debt obligations within each watershed zone.

Figure 2 shows the actual benefit assessment rates levied in FY 2023–24, and the expected FY 2024–25 rates for an average single-family residence in each of the flood control zones. Actual rates to meet debt obligations by zone for FY 2024–25 are dependent on updated assessor information on parcel land use and parcel area, which will not be available until July 2024.

FIGURE 2
Flood Control Benefit Assessments
FY 2023–24 Actual Rates & FY 2024–25 Expected Rates for
Group C (Residential Parcels)

Flood Control Zone	Actual Rates for Group C (residential parcels) FY 2023–2024	Expected Rates for Group C (residential parcels) FY 2024–2025
Northwest	\$26.63	\$26.55
North Central	\$4.74	\$4.72
Central	\$4.37	\$4.18
East	\$12.89	\$12.88
South	\$0.00	\$0.00

The FY 2024–25 rates in the Northwest, North Central, Central, and East zones are expected to be slightly lower than the actual rates levied for FY 2023–24. The expected rates for FY 2024–25 also reflect the 2012A Series Certificates of Participation debt service payments being paid in full as of last year, FY 2023–24. Debt obligations in the South zone were paid off at the end of FY 2012–13, and therefore no Benefit Assessment will be levied in the South zone for FY 2024–25.

The attached resolution would direct the Chief Executive Officer to perform four tasks: (1) determine actual benefit assessment rates sufficient to cover debt obligations for each zone once necessary data to compute the rates is received from the County of Santa Clara in July 2024; (2) compute benefit assessments for each eligible parcel; (3) forward the roll of parcel assessments to the County Tax Collector for collection; and, (4) make corrections to the assessments for any errors that may be identified during the year.