

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 FY 2017–18 be set before August 1, 2017. 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 2016–17.

FIGURE 1
Flood Control Benefit Assessments
Fiscal Years 2016–17 & 2017–18 Required Revenue

| Flood Control Zone | Required Revenue 2016–17 | Required Revenue 2017–18 |
|---------------------------|---------------------------------|---------------------------------|
| Northwest | \$4,082,042 | \$4,078,867 |
| North Central | \$2,278,317 | \$2,277,292 |
| Central | \$4,598,392 | \$4,597,191 |
| East | \$3,973,371 | \$3,970,971 |
| South | \$0 | \$0 |
| TOTAL | \$14,932,122 | \$14,924,321 |

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 2016–17, and the expected FY 2017–18 rates for an average single-family residence in each of the flood control zones. Actual rates to meet debt obligations by zone for FY 2017–18 are dependent on updated assessor information on parcel land use and parcel area, which will not be available until July 2017.

FIGURE 2
Flood Control Benefit Assessments
FY 2016–17 Actual Rates & FY 2017–18 Expected Rates
for Group C (Residential Parcels)

| Flood Control Zone | Actual Rates for Group C (residential parcels) 2016-2017 | Expected Rates for Group C (residential parcels) 2017-2018 |
|---------------------------|---|---|
| Northwest | \$39.86 | \$39.86 |
| North Central | \$13.20 | \$13.20 |
| Central | \$21.16 | \$21.16 |
| East | \$21.06 | \$21.06 |
| South | \$0.00 | \$0.00 |

The FY 2017–18 rates in the Northwest, North Central, Central, and East zones are expected to be the same as the actual rates levied for FY 2016–17. 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 2017-18.

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 2017, (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.