

City of Sacramento

Legislation Text

File #: 2019-00376, **Version:** 1

Title:

Redemption of North Natomas Land Acquisition Fee Credits

File ID: 2019-00376

Location: District 1

Recommendation:

Adopt a Resolution 1) approving the redemption of North Natomas land-acquisition-fee credits; 2) appropriating \$2,130,511 from the available fund balance in the North Natomas Finance Plan Public Land Acquisition Fee Fund (Fund 3208) and increasing the Debt Service expenditure budget by \$2,130,511; and 3) authorizing the City Manager or City Manager's designee to distribute the appropriated funds in accordance with Exhibit A.

Contact: Mary Jean Rodriguez, Program Specialist, (916) 808-1980; Sheri Smith, Special Districts Manager, (916) 808-7204, Department of Finance

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Resolution - LAP Redemption
- 4-Exhibit A (Reimbursement and Reimbursement Priority)

Description/Analysis

Issue Detail: The North Natomas Finance Plan (NNFP) includes a land-acquisition program (LAP) to ensure the timely acquisition of land for rights-of-way and other public purposes as required by the North Natomas Community Plan. Additional information is included in the Background section of the report.

Since 1997, developers who pulled building permits in North Natomas have paid land-acquisition fees, and developers who dedicated public lands have received fee credits as compensation. The developers may use the fee credits to pay land-acquisition fees they owe, may sell the credits to

other developers, or may tender the credits to the City for redemption in cash from fee revenues no longer needed to acquire LAP lands.

Most LAP lands have now been acquired. The remaining lands are either subject to development agreements that require dedication or will be acquired as a condition of development. To date, the City Council has authorized the release of \$28,184,887 in available funds to redeem LAP fee credits. "Available funds" means the fee revenues and the interest earned on those revenues, less the City's cost to administer the LAP. An additional \$2,130,511 has been collected and is now available to redeem credits.

Policy Considerations: The recommendation is consistent with the NNFP adopted in 1994 and updated in 1999, 2002, 2005, 2009, and 2017, and with all associated development and credit agreements.

Economic Impacts: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA): Under the CEQA Guidelines, continuing administrative activities do not constitute a project and are therefore exempt from review. (14 Cal. Code Regs. §15378(b)(2).)

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The recommended actions are authorized by chapter 18.24, article III, of the Sacramento City Code.

Financial Considerations: The fees collected, and the associated interest are accounted for in Fund 3208 and are restricted by state law and the LAP to the redemption of credits and the payment of expenses associated with the acquisition of land identified in the NNFP. The \$2.1 million in available funds will be disbursed from available fund balance to two developers, as set forth in as Exhibit A to Attachment 2. The recommended action will not affect the General Fund.

Local Business Enterprise (LBE): Not applicable.