



STAFF REPORT

AGENDA NO: 10a

MEETING DATE: April 1, 2019

To: Honorable Mayor and City Council

Date: April 1, 2019

From: Lisa K. Goldman, City Manager – (650) 558-7243

Subject: Adoption of a Resolution Endorsing the San Mateo County Flood and Sea Level Rise Resiliency Agency Proposal and Authorizing Funding for Agency Start-up

RECOMMENDATION

Staff recommends that the City Council adopt a resolution endorsing the San Mateo County Flood and Sea Level Rise Resiliency Agency proposal (Proposal) and authorizing the expenditure of \$40,000 annually for three fiscal years (FY 2019-20 through FY 2021-22) to support the Agency start-up.

BACKGROUND

Since 2013, San Mateo County and the 20 cities and towns within the county have increasingly recognized their competitive disadvantage in pursuing grant funding to respond to flooding and sea level rise in comparison with neighboring counties that have countywide agencies working on those issues. A summary of efforts within the county since 2013 to develop a unified voice that could be more effective in obtaining state and federal funding is attached.

In 2017, the City/County Association of Governments (C/CAG) established its Countywide Water Coordination Committee as a standing committee to address flooding, regional stormwater, and sea level rise issues within San Mateo County. The Committee was convened in May 2017 and decided, in partnership with the County, to develop a proposal for a water management agency that could be considered by the C/CAG Board of Directors and the County Board of Supervisors by the end of 2018. To achieve this goal, the Committee convened a Staff Advisory Team (SAT) comprised of 18 staff representatives from C/CAG, the County, cities, and other water-related agencies and interests to help develop the draft proposal. The roster of SAT participants is attached. The SAT was supported by Environmental Science Associates (ESA) under contract to the County Department of Public Works.

DISCUSSION

After considering different alternatives, the Proposal focuses on modifying an existing special district, the San Mateo County Flood Control District (District). The District, which is governed by the Board of Supervisors and utilizes County staff for its functions, has been in place since its creation via special legislation in 1959. Its activities are generally limited to three active flood control zones in which it collects pre-Proposition 13 property taxes to fund flood control efforts (Colma Creek, San Bruno Creek, and San Francisquito Creek watersheds). It also imposes two countywide fees on the property taxes on C/CAG's behalf to fund its Countywide Water Pollution Prevention Program and fees on the property taxes on behalf of the City of Pacifica to fund its water

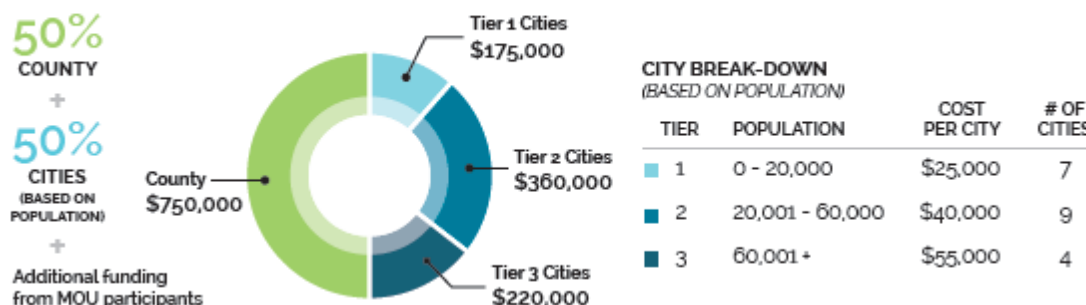
pollution control program. The District's annual zone-based property tax revenue is approximately \$3.8 million, the majority of which comes from the Colma Creek zone, and the two countywide fees for the C/CAG program generate approximately \$1.5 million annually. Under the Proposal, these funds would remain dedicated to their existing programs.

The Proposal recommends revising (through special legislation) the 1959 San Mateo Flood Control District Act to change the governance from the Board of Supervisors to a seven-member board consisting of five City and two County elected officials. One of the two Supervisors would be from District 3, the coastal area. The City representatives would be appointed by C/CAG and represent the north, central, south, and coastal areas of the county. The fifth City representative would be an at-large position. Legislative fixes, which could go into effect as early as July 1, 2019, would also enhance authorities related to sea level rise and coastal erosion, clarify funding/financing authorities to reflect current state regulations/constitutional restrictions, and change the name to the Flood and Sea Level Rise Resiliency Agency (Agency). The Agency's mission and role would be to address sea level rise, flooding, coastal erosion, and large-scale stormwater infrastructure improvements through integrated regional planning, design, permitting, project implementation, and long-term operations and maintenance to create a resilient "one shoreline" San Mateo County by 2100.

Proposed Agency "Start-up" funds

The Proposal calls for \$1.5 million in annual funding contributions for three years, split equally between the County and the 20 cities and towns. Annual city/town contributions for agency start-up are proposed to fall into three population-based tiers, with seven small size cities/towns paying \$25,000, nine medium size cities (including Burlingame) paying \$40,000, and four large size cities paying \$55,000 (see graphic below), for a cumulative city/town contribution of \$755k. A table listing each agency's proposed annual contributions is attached.

Annual Funding



Of the County's \$750,000 share, \$350,000 will go to supplement the cities/towns' contribution, resulting in a grand total of \$1.1 million as annual "Start-up" funds. The remaining \$400,000 County contribution would be used to continue its current Flood Resilience Program under which the County is leading efforts with seven cities under three memoranda of understanding to address multi-jurisdictional flooding problems in three different watersheds. City/town contributions for specific Flood Resilience Program projects are established and can be revised under the terms of the adopted memoranda of understanding.

During this three-year period, the Agency's activities would generally fall into two categories: continuing existing efforts and securing on-going reliable funding for the new agency. For the first, the Agency would continue implementing the District's zone-based flood control activities (proposed initially through contracting with County Department of Public Works) and maintain the

Flood Resilience Program that is working with the seven cities under three memoranda of understanding. For the start-up services, the Agency would develop an Integrated Flood and Sea Level Rise Investment Plan that would define the flood, stormwater, and sea level rise projects and priorities. This information will be essential to the community and stakeholder engagement process. The intent will be to secure long-term sustainable revenue, such as through an Enhanced Infrastructure Financing District, a Geological Hazard Abatement District, property-related fee, or targeted special tax, any of which will require significant community and stakeholder engagement and outreach.

In the event a long-term funding structure is not in place within this three-year period, the annual funding contributions of the County and the Cities are proposed to be extended for up to two additional years provided that (1) the Agency is demonstrating sufficient progress toward meeting its objectives, and (2) the Cities and the County agree to continue their respective funding contributions.

The Proposal calls for the new governing board of the Agency to hire an Executive Director and the two County positions currently assigned to the Flood Resiliency Program would likely move to the new Agency. Additional staff and consultants would be hired by the Agency, as needed, to achieve its goals during the three-year startup period and beyond. It would also need to contract with the County for ongoing management of the existing District activities, until it is able to manage such efforts on its own.

The C/CAG Board of Directors unanimously endorsed the Proposal at its January 10, 2019 meeting. The County Board of Supervisors endorsed the Proposal at its January 29, 2019 meeting. The Proposal is now being presented to all 20 City and Town Councils for their endorsement and commitment of funding. An Executive Summary and the detailed Proposal are provided as Attachments 4 and 5.

FISCAL IMPACT

Adoption of the resolution authorizes the expenditure of \$40,000 annually for three years to fund the City's share of the Agency start-up costs. Funds will be included for this purpose in the City Council's FY 2019-20 proposed budget.

Exhibits:

- Resolution
- Presentation
- Historical Background
- Staff Advisory Team (SAT) Roster
- Proposed Annual Funding Contributions by Agency
- Executive Summary of the Proposal
- Flood and Sea Level Rise Resiliency Agency Proposal