



PLANNING DEPARTMENT
NEW GROWTH DIVISION

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August 27, 2007

Donald J. Lockhart
Assistant Executive Officer
Sacramento Local Agency Formation Commission
1112 I Street, Suite 100
Sacramento, CA 95814

RE: Greenbriar Development Proposal

Dear Mr. Lockhart:

This letter responds to your August 7, 2007 request for additional information regarding amendment of the City of Sacramento's Sphere of Influence (SOI). You asked for clarification on five points to help LAFCo assess whether services can be provided to the area proposed for annexation, such that current City residents will not be adversely impacted. The City believes that these services can be provided without impact to current residents. The City provides the following clarifications:

1. City policy rationale for inclusion of Greenbriar site into the SOI.

Assuming the current rate of development absorption and vacant land inventory, both Citywide and within the existing SOI, sufficient holding capacity does not exist within the City to accommodate projected growth. Including Greenbriar in the SOI will help the City accommodate projected growth.

According to the City's General Plan technical background reports, as of September 2005, there were approximately 14,000 acres of low and medium density parcels of vacant land available. However, the actual number is likely less than this total, because a substantial quantity of land has been developed subsequently in the North Natomas area, where the majority of this land is concentrated. For example, projects considered in a cumulative context include the Westborough, Cambay West, Natomas Crossing, Natomas Town Center, Natomas Creek and Panhandle (595 acres with 3,075 dwelling units) projects; each of which

are in the North Natomas area. In the south Sacramento area, M&H Realty and SunCal Companies and Dunmore Homes have submitted an application to develop one of the last remaining large blocks of land in the City, the 925-acre Delta Shores site. Vacant industrial sites at the 240-acre downtown Sacramento railyards (up to 10,000 dwelling units) and 72 acre Curtis Park railyards (540 dwelling units and 188,941 square feet of retail/commercial) are being actively pursued for development, with applications submitted and the environmental review process begun on both. As this shows, the North Natomas area continues to be actively developed, and other large, vacant, or undeveloped parcels are being actively pursued.

The City believes that, as a result of the lack of available vacant land within its boundaries, the City will need to look to sites outside the SOI in order to accommodate projected growth. The information provided by the General Plan Update Technical Background Reports and the ongoing City Infill Strategy support this conclusion, as discussed below.

a. General Plan Technical Background Reports

The Technical Background report for the City of Sacramento General Plan Update shows the following:

Current (2005) population:	450,000
Proposed General Plan Holding Capacity ¹ (2030):	564,000
Anticipated City population (2030):	650,000

Over the next 25 years, the City is expected to grow by 200,000 people. However, the current General Plan, including the current sphere-of-influence, would only accommodate an additional estimated 114,000 people. Additional land would be needed if the City intends to accommodate the 86,000 people above the General Plan's holding capacity that are anticipated to live in the City.

In its July 6, 2007 report, economic consultants EPS estimated that, given the General Plan update area's urban form and land use parameters, the City has theoretical vacant and redevelopment capacity for 111,000 additional housing units.

However, while the vacant site potential and reuse potential is theoretically a sizable number, EPS believes that the market and site constraints of these potential development areas will not deliver anywhere near the 100,000 dwelling unit need. In other words, these sites are generally low potential (rates of absorption by 2030 at less than 30% of theoretical development capacity). Therefore, in order to meet growth targets, the City needs to utilize the new growth sites, including the Greenbriar project site.

^{1/} This number includes development of the Greenbriar project.

b. City Infill Strategy

The Sacramento Area Council of Governments (SACOG) adopted the Sacramento Region Blueprint Transportation and Land Use Study Preferred Blueprint Scenario (Blueprint) in December 2004. The Blueprint's preferred land use scenario identifies the Greenbriar site for high density mixed residential and single family small lot land uses. Existing North Natomas development to the east across SR 70/99 is designated for single-family large lot and single-family small lot, and the area south of I-5 for single-family large lot, single-family small lot, public, and medium-density mixed-use center or corridor land uses. Undeveloped areas to the north are designated for medium-density and high-density mixed residential land uses with the area to the west designated for industrial land uses.

The City of Sacramento has discretion to determine how it would implement the Blueprint's smart growth principles in its long-term planning. For areas considered as Urban Reserve (i.e., areas designated for future urban growth beyond a 20-year planning horizon), the City determined that future growth within the Natomas Area in accordance with SACOG's Blueprint smart growth principals could result in the development of up to approximately 44,400 housing units, approximately 4 million square feet of commercial space, and 14,600 jobs.

Generally, with the exception of the "pipeline" projects (e.g., Greenbriar, Panhandle, Curtis Park Village, Railyards, etc.), the General Plan anticipates less than 30% of theoretical development capacity for the infill sites. The infill sites constitute only about half of the anticipated growth allocations. Therefore, in order to meet growth targets, the City needs to utilize the new growth sites, including the Greenbriar project site.

All of the Blueprint's principles have been applied in the design of the proposed Greenbriar project. The project incorporates diverse housing types (i.e., low density, medium density, high density residential), development would be compact (i.e., maximize use of the urban footprint by providing medium and high density residential land uses on more than half of the site), the area of public open space is greater than required by city regulations (project provides 48.4 acres versus City requirement of 48.2 acres), and mixed uses (i.e., residential and commercial land uses on one parcel) would be accommodated on the site. In addition, the project would provide a variety of transit opportunities including walking and bicycling, and by planning for a future Downtown-Natomas-Airport light rail extension and station at the project site.

2. The City's current floodplain development policy.

The City has received a letter from the Department of Homeland Security's Federal Emergency Management Agency (FEMA) indicating that it will be changing the flood status designation for the Natomas Basin and will be preparing a revised Flood Insurance Rate Map

(FIRM). This change is a result of the State of California, Department of Water Resources (DWR) notification to FEMA that the Natomas levee system does not meet minimum federal flood insurance program standards for 100-year flood protection. FEMA has indicated that when flood-control systems no longer meet adequate protection standards from a flood having a 1% chance of being equaled or exceeded in any given year (i.e., 100-year flood), FEMA must revise the FIRM (FEMA 2006).

FEMA intends to revise the FIRM through the Physical Map Revision (PMR) process and will place the Natomas Basin in the Special Flood Hazard Area (SFHA). A preliminary FIRM revision is expected to be issued by summer 2007 with a final FIRM effective date of fall 2007 or winter 2008. As of this date, FEMA has yet to publish the preliminary FIRM. However, it is expected that FEMA would likely select one of three SFHA designations as described below (FEMA 2007):

- **AE:** Zone AE is the flood insurance rate zone that corresponds to the 1-percent annual event floodplains that are determined through a Flood Insurance Study. Owners of structures within these designated areas are required to purchase flood insurance. New structures developed in these areas must be elevated at least one foot above the base flood elevation.
- **AR:** Zone AR is the flood insurance rate zone used to depict areas protected from flood hazards by flood control structures, such as a levee, that are being restored. FEMA designates these areas if the flood protection system has been determined to be “restorable by a federal agency in consultation with a local sponsor; a minimum level of flood protection is still provided to the community by the system; and restoration of the flood protection system is scheduled to begin within a designated time period. Owners of structures within these designated areas are required to purchase flood insurance. New structures can be developed within this zone as long as the development complies with the Zone AR floodplain management regulations, which requires that new structures in “infill development” areas be elevated at least three feet above the “highest adjacent grade.” The highest adjacent grade is the highest natural elevation of the ground surface prior to construction next to the proposed walls of a structure.
- **A99:** Zone A99 is the flood insurance rate zone that corresponds to areas with the 1-percent annual chance floodplain that will be protected by a Federal flood protection system where construction has reached specified statutory milestones. Owners of structures within these designated areas are required to purchase flood insurance. There are no development restrictions within this zone.

Different development restrictions would apply depending on the SFHA designation selected. The City, through its land use approvals, intends to comply with all development restrictions associated with the SFHA designation assigned by FEMA and with its current Floodplain

Management Ordinance. The City has also sent a letter to FEMA requesting an A99 flood zone designation. A response from FEMA has not yet been received. With approval of the Greenbriar project, construction activities could commence only upon receipt of all discretionary permits and approvals from trustee and responsible agencies including approval of the project's Habitat Conservation Plan from the U.S. Fish and Wildlife Service (USFWS). Based on the permits and approvals required for the project, the City anticipates that building permits will not be issued before 2010. Therefore, it is anticipated that FEMA will have issued the selected SFHA designation prior to the commencement of any construction activities and that new vertical construction of damageable property will be governed by the requirements of the designation.

3. Infrastructure needs or deficiencies currently noted within the North Natomas Community Plan area.

The North Natomas Financing Plan underfunds identified infrastructure needs by about \$70 million. This deficiency is the result of construction costs and standards escalating faster than the adjustment of fees. These deficiencies include library, fire, police, transit and roadway facilities.

The North Natomas Financing Plan funded the land acquisition for the North Natomas Regional Park; however, identified deficiencies are the payment of Habitat Conservation Plan Fees and capital improvements for the Regional Park. Greenbriar will contribute approximately \$3.35 million to help fund this amount.

The Greenbriar project would include phased expansion and extension of public utility infrastructure from adjacent areas (e.g., NNCP area) to the project site. Infrastructure plans would specify the size and locations of pipelines necessary to convey potable water, wastewater (including pump and lift stations if necessary), and storm water drainage to and from the project site. In addition, locations for placing electrical infrastructure and natural gas lines would also be identified on the plans.

The main water supply for the project site would be a 30-inch transmission line that would be extended from South Bayou Road (south of the project site) under I-5 (via a jack and bore construction method) to Elkhorn Boulevard. Additional reliability and redundancy in the water distribution system would be provided through a 24-inch transmission line that would be constructed from Natomas Boulevard and Elkhorn Boulevard (east of the project site) to the intersection of Lone Tree Road and Elkhorn Boulevard where it would connect to on-site distribution facilities. The proposed water distribution system would consist of a grid of 8-inch and 12-inch distribution mains throughout areas designated for residential land uses. An 18-inch transmission main would run under Meister Way from the western edge of the project site to the east; it would then run north between two parcels designated for high density residential land uses (near the eastern boundary), east along the boundary of the site, and would terminate at a 24-inch transmission main located in Elkhorn Boulevard. Three

groundwater wells would be constructed on-site; one to periodically maintain flow in Lone Tree Canal; and two to maintain (if needed) flows within the on-site lake detention basin.

The project also includes the construction of a gravity flow and force main wastewater collection system. Approximately one-quarter of the site would be served by a gravity flow system that would connect to the existing 33-inch North Natomas interceptor located at the terminus of Greg Thatch Circle (immediately east of the project site). The remaining portions of the project site would be served by gravity flow to a centrally located lift station. Flows from the lift station would be conveyed by a 16-inch sewer force main that would ultimately connect to the 33-inch North Natomas Interceptor along the northwestern boundary of the property.

4. Growth and population projections for the affected area

See Response #1 for General Plan Area.

The South Natomas Community Plan has essentially reached its buildout of 18,000 dwelling units. The North Natomas area has approximately 18,000 dwelling units toward buildout of approximately 32,000 dwelling units. The first residential building permit was issued in 1999 for North Natomas; in excess of 2000 dwelling units have been constructed annually; at this rate, buildout of the adopted Sphere of Influence in Natomas would be expected in approximately 2013.

5. Financing constraints, opportunities and implications to address existing infrastructure demand

Greenbriar will contribute to the North Natomas Financing Plan to help fund several categories of infrastructure and public facilities. As discussed above, the project will provide \$3.35 million for the planned North Natomas Regional Park. In addition, the project will provide \$1.78 million for library facilities, a \$1.52 million contribution for the construction of fire facilities, and \$2.4 million for police facilities, which includes a \$1.5 million 880-MegaHertz radio transmission tower.

The project also includes dedication of a corridor that could accommodate a future transit stop and light rail alignment for the Downtown-Natomas-Airport light rail extension, located near the center of the project site along the proposed Meister Way roadway. The light rail station would provide public transportation access to downtown Sacramento, Sacramento International Airport and Metro Air Park. The transit station is currently estimated at \$2.4 million. RT will also be provided with the right-of-way over the project site at no cost.

Finally, the Greenbriar project will provide \$1.65 million for the improvements to the Elkhorn interchange.

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I hope that this letter provides all of the information that LAFCo will need prior to its September 19, 2007 public hearing on the Greenbriar project. Please feel free to contact me for any additional information.

Cordially,

A handwritten signature in cursive script that reads "Scot Mende".

Scot Mende
New Growth Manager, City of Sacramento