

**Guidelines for the Sacramento Area Flood Control Agency
Consolidated Capital Assessment District
Assessment Deferral Program**

PURPOSE

The SAFCA Board's policy has historically been to provide assessment deferral programs for low income property owners subject to SAFCA capital assessments. The purpose of these guidelines is to document the eligibility criteria, administrative control and procedures, and overall governing policy for the Sacramento area Flood Control Agency's Consolidated Capital Assessment District (CCAD) Assessment Deferral Program (ADP).

PROGRAM DESCRIPTION

The Sacramento Area Flood Control Agency provides a CCAD ADP which allows qualifying low income property owners (household income less than \$26,000 annually) to defer payment of the CCAD assessment. Property owners must initially have \$5,000 equity, which requirement increases to \$7,500 when annual assessment have been deferred for ten years, and to \$10,000 after deferral of 20 years of annual assessment. Deferred assessments are secured by a deed of trust which is recorded on the property for which the assessment is deferred.

The deed of trust allows the property owner to refinance the property or, upon the property owner's death, allows transfer of the property to a spouse or direct-line relative without payment deferred assessments. Interest accrues on the deferred amount at the rate of 6 percent annual, and the deferred assessments and interest are due and payable upon sale of the property.

ELIGIBILITY REQUIREMENTS

To be eligible for the Assessment Deferral Program an applicant must:

1. Own property subject to the CCAD assessment.
2. Have a household income of less than \$26,000. Household income is the sum of all pre-tax income (taxable or not) of the claimant, the claimants spouse and dependents, and other persons owning a share of the property subject to the assessment.
3. Have a minimum of \$5,000 equity in the property at all times during the first ten years that assessments are deferred. After the tenth year of deferral, the minimum equity is \$7,500. After the twentieth year, the minimum equity requirement is \$10,000.

When a property and claimant are approved for the Assessment Deferral Program, the deferred assessment will be secured by a deed of trust recorded on the property in question. At the time the deed of trust is recorded, the claimant must be the owner of the property under consideration. Proof of ownership is established if the claimant is the person listed as the

**Sacramento Area Flood Control Agency
Consolidated Capital Assessment District
Assessment Deferral Program**

property owner on the most recent property tax bill and there is no evidence of sale of the property at the time the deed of trust is recorded. Proof of ownership may also be established through the claimants providing a deed acceptable to the Executive Director or his designated representative.

PROVISIONS OF THE DEED OF TRUST

1. The Sacramento Area Flood Control Agency will be the trustee.
2. Only one deed of trust will be required for each property. Subsequent assessment deferrals will be secured by the original deed of trust. However, claimants will need to file for the deferment annually.
3. Interest on deferred assessments will accrue at the rate of 6 percent annually.
4. The deed of trust may be called if the property owner allows taxes or other assessments to become delinquent.
5. The trustee will subordinate if the property owner/claimant decides to refinance the property, providing the equity requirements of this program are met.
6. In the event of death or disability of the claimant/property owner, title to the property may pass to a direct-line relative (child or grandchild) or to the claimant's spouse without triggering payment of the deferred amount. Under such circumstances, interest on the deferred amount will continue to accrue until the property is sold or the deferred amount is paid to SAFCA.

ADMINISTRATION

It is SAFCA's goal to minimize the costs of implementing and administering the Assessment Deferral Program. Consistent with this goal, the following steps will be taken to insure that the program is implemented in conformance with these administrative procedures.

1. Proof of Eligibility - Claimants will be asked to certify, under penalty of perjury, that the statements provided as to their income and equity are true. No further action will normally be taken by SAFCA to verify these statements, although a copy of the previous year's income tax filling may be requested as a check on occasional basis. Should the equity on a qualified property fall below the minimum equity requirements of these guidelines for reasons beyond the control of the property owner, the property will continue to be eligible for program participation and SAFCA will not make a demand for repayment of the deferred amount.
2. SAFCA will verify that the claimant is the property owner listed on the most recent tax bill, and that there is no record of sale as of the date the deed of trust is recorded.

**Sacramento Area Flood Control Agency
Consolidated Capital Assessment District
Assessment Deferral Program**

3. SAFCA will verify that the claimant's property is subject to the CCAD assessment.
4. SAFCA will maintain a current record of all claimants. Interest will be periodically posted to each account. Should a claimant elect to pay the deferred amount in total before the fifteenth of any month, the payoff amount will be the deferred amount for the previous month.
5. Upon request, SAFCA will provide title companies and property owners with current information on the deferred amounts.
6. The costs of recording and removing the deed of trust will be paid by SAFCA as part of the program administration costs.

FUNDING

All costs for program administration will be funded by the CCAD.

EXECUTIVE DIRECTOR'S DISCRETION

The purpose of this program is to relieve some of the financial burden which the CCAD places on low income persons. The Executive Director of SAFCA has the discretion to allow exceptions to the above guidelines where such exceptions are necessary to carry out the purpose of the program, provided that such exception does not materially increase the cost of the program or reduce the security for repayment of the deferred assessment.