



City of Sacramento City Council

915 I Street, Sacramento, CA, 95814
www.CityofSacramento.org

Meeting Date: 12/14/2010

Report Type: Consent

Title: Sewer Credit Approval: Elmhurst Terrace Housing Project

Report ID: 2010-00043

Location: Citywide

Recommendation: Adopt a Resolution awarding a total of 24 Sacramento Regional County Sanitation District (SRCSD) sewer connection fee credits to Hydrox-Elmhurst, LLC, for the Elmhurst Terrace housing project.

Contact: Jennifer Witz, Project Coordinator, (916) 808-2796, Economic Development Department

Presenter: None

Department: Economic Development Division

Division: Citywide Development

Dept ID: 18001031

<p>Attachments:</p> <ul style="list-style-type: none"> 1-Description/Analysis 2 Background 3 Sewer Credit Application 4 Resolution 	<p>City Attorney Review Approved as to Form</p> <p>Sheryl N. Patterson 12/9/2010 1:12:07 PM</p> <p>City Treasurer Review Prior Council Financial Policy Approval or Outside City Treasurer Scope</p> <p>Russell Fehr 12/2/2010 3:22:14 PM</p>

Approvals/Acknowledgements

Dept Director: Jim Rinehart

Assistant City Manager John Dangberg - 12/8/2010 4:51:01 PM

Description/Analysis

Issue: The City of Sacramento's Economic Development Department recommends approval of the attached resolution awarding 24 Sacramento Regional County Sanitation District (SRCSD) sewer credits to the infill housing project known as Elmhurst Terrace housing project, located at 34th and U Street in Sacramento (APN: 010-0141-047, 059-062, 066). When completed, Elmhurst Terrace housing project will include 33 innovative infill homes.

Elmhurst Terrace housing project was previously approved by City Council on June 24, 2007 (Resolution Number 2007-464) for 25 sewer credits. Because housing units were located on the project site, the SRCSD quote was reduced from 33 estimated single-family dwellings (ESD) to 25 ESDs. After City Council's approval, one housing unit was built before the project's guarantor went bankrupt and the project was foreclosed upon. Currently, Hydrox-Elmhurst, LLC is recommencing the project. The Economic Development Treatment Capacity Bank Sewer Credit Program qualifications require any and all credits awarded to expire if applicant has not paid its requisite sewer impact fee to SRCSD within one year from the date of approval. Since the project built one housing-unit after Council's initial approval, the current SRCSD quote was reduced from 25 ESDs to 24 ESDs. Therefore, the applicant, Hydrox-Elmhurst, LLC. has re-applied for 24 sewer credits for the Elmhurst Terrace housing project.

Policy Considerations: The City of Sacramento views projects that promote urban infill development as an important cornerstone of the City's economic development. The City of Sacramento also supports such projects to make Sacramento the most livable city in America. Approval of the subject recommendation serves to promote this city policy objective.

Environmental Considerations:

California Environmental Quality Act (CEQA): This project was subject to environmental review as part of the approval of its development entitlements. Under the California Environmental Quality Act (CEQA) guidelines, no additional environmental review is required for the award of sewer credits for this project.

Commission/Committee Action: n/a

Rationale for Recommendation: This application for 24 sewer connection fee credits meets Council-approved criteria for the granting of sewer credits pursuant to Resolution 2006-457, adopted on June 20, 2006, because Elmhurst Terrace housing project is an urban infill development. The project will bring 33 infill housing units to the Medical Center Neighborhood creating a sustainable and livable community.

Financial Considerations: Approval of the Resolution has no financial impact to the City.

Emerging Small Business Development (ESBD): n/a



Attachment 1

BACKGROUND:

The Sacramento Regional County Sanitation District (SRCSD) established an Economic Development Treatment Capacity Bank (Bank) in June 2000 and the City of Sacramento received the initial allocation of 7,971 Equivalent Single Family Dwellings (ESDs) Credits from the Bank. At the time, SRCSD limited local jurisdictions to using a maximum of 15 percent of its total allocation for residential projects. The City of Sacramento subsequently received another allocation of 756 ESDs in March 2005, bringing the total ESDs to 8,727.

Following the allocation, the City requested greater latitude to use more of the Credits to assist in housing development. In response to the City's request, SRCSD reconvened the Stakeholders' Working Group to discuss the proposed additional flexibility for residential purposes, to recommend a methodology for allocation of additional excess capacity that the District has purchased, disbursement guidelines for the District's own allocation from the Bank, and to address other administrative actions.

SRCSD agreed to expand the criteria for the housing allocation to include infill and transit-oriented housing and provided for an additional 15 percent annual allocation for housing projects. This permitted each local jurisdiction to have more flexibility in using the Bank Credits.

Resolution 2006-457 approved the amended Memorandum of Understanding (MOU) between the SRCSD and the City to include these policy changes. The Resolution also approved the Guidelines for the allocation and awarding of Treatment Capacity Bank Credits for commercial development, Downtown, low-income, and infill / transit-oriented development (TOD) projects.

Elmhurst Terrace housing project was previously approved by City Council on June 24, 2007 (Resolution Number 2007-464) for 25 sewer credits. Because housing units were located on the project site, the SRCSD quote was reduced from 33 estimated single-family dwellings (ESD) to 25 ESDs. After City Council's approval, one housing unit was built before the project's guarantor went bankrupt and the project was foreclosed upon. Currently, Hydrox-Elmhurst, LLC is recommencing the project. The Economic Development Treatment Capacity Bank Sewer Credit Program qualifications require any and all credits awarded to expire if applicant has not paid its requisite sewer impact fee to SRCSD within one year from the date of approval. Since the project built one housing-unit after Council's initial approval, the current SRCSD quote was reduced from 25 ESDs to 24 ESDs. Therefore, the applicant, Hydrox-Elmhurst, LLC. has re-applied for 24 sewer credits for the Elmhurst Terrace housing project.



Attachment 2

CITY OF SACRAMENTO: Application for Economic Development Treatment Capacity Bank Sewer Credits (i.e. a reduction in rate per ESD to \$923)

Before submitting this application for processing, please contact the Sacramento Regional County Sanitation District (SRCSD) at (916) 876-6100 to receive a quote stating the number of ESD's required for your business. This application will not be processed without a quote from the SRCSD. Please call Economic Development at 916-808-7223 with any questions as to eligibility for sewer credits (i.e. a reduction in rate per ESD to \$923) or for assistance in completing the application.

Please print or type your responses to the questions below and provide additional information as requested. When complete, return to: Economic Development Department, City of Sacramento, by mail at 915 I Street, 3rd Floor, Sacramento, CA 95814; or by fax to 916-808-8161.

- 1. Project Name: Elmhurst Terrace (aka "East 34th Street")
2. Address for which Credits sought: 34th Street / U Street Zip: 95817
3. Assessor's Parcel Number: PUD
4. Legal Name of Business Owner: Hydrex-Elmhurst, LLC
5. Owner's Mailing Address: 3170 Hilltop Road
6. Owner's Phone Number: (916) 262-7212 Owner's Fax Number: (916) 649-2008
Owner's email address: cathy@steeplemechbank.com
7. Brief Project Description: PUD of 30 new SFD + 3 existing homes
8. Please mark the category that best describes your project:
A. Residential [checked] Number of Units ___ Low Income Project*? Yes ___ No [checked]
B. Single Resident Converting from Septic Tank ___
C. Commercial ___ Number of new jobs from creation/expansion ___
D. Mixed ___ Number of Residential Units ___ Number of new jobs from creation/expansion ___
9. Are sewer credits being sought for a business relocating from another site within the Sacramento Metropolitan area? Yes ___ No [checked] If yes, what address relocating from? ___

Applicant signature: [Signature] Date: 11/16/2010
Print Applicant's Name: HYDREX - ELMHURST, LLC

*Low-and very-low-income housing as defined in California Health and Safety Code Sections 50079.5 and 50105.

To be completed by City:

Prepared By: _____ Number of approved ESDs: _____

Approved By: _____ Date: _____
Jim Rinehart, Economic Development Director

Notes and Project Information:

- _____
• _____



Sacramento Regional County Sanitation District
10060 Goethe Rd.
Sacramento, CA 95827

November 23, 2010

TO: WHOM IT MAY CONCERN
J Witt jwitt@silverwingdevelopment.com
FROM: DOLORES ROSS
PERMIT SERVICES UNIT
RE: SEWER IMPACT FEES
ELMHURST TERRACE
APN: 010-0410-VARIOUS
CASE NO. SICC2010-XXXX

On June 25, 2007, 25 ESDs were awarded from the Economic Development Treatment Capacity Bank by the City of Sacramento (Res. No. 2007-464) for **Elmhurst Terrace**, a 33-unit residential infill project. Payment was made June 18, 2008 for one of these ESDs. Because payment for the remaining 24 ESDs has not been received, a new application must be made for Economic Development Treatment Capacity Bank credits.

The Sewer Impact Fees due for the remainder of the lots in Elmhurst Terrace are as follows:

	<u>ESDs</u>	<u>Rate</u>	<u>Fee</u>
24 single family dwellings	24.00	\$2,800	\$67,200

If I may be of any further assistance, please do not hesitate to call me at 876-6100.

cc: Jennifer Witz, City of Sacramento

Sewer Impact Fees are subject to adjustment if the data supplied has changed.

916-876-6100 www.srcsd.com



RESOLUTION NO.

Adopted by the Sacramento City Council

AWARDING SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT (SRCSD) SEWER CONNECTION FEE CREDITS TO HYDROX-ELMHURST LLC. FOR THE ELMHURST TERRACE HOUSING PROJECT LOCATED AT 34TH AND U STREET (APN: 010-0141-047, 059-062, 066).

BACKGROUND

- A. On March 20, 2001, City Council approved a Memorandum of Understanding (MOU) to initiate City participation in the Sacramento Regional County Sanitation District Economic Development Treatment Capacity Bank (Agreement No. 2001-177).
- B. On June 20, 2006, City Council approved Resolution 2006-457, approving criteria for the granting of Treatment Capacity Bank Credits (Credits) for commercial development, Downtown, low-income, and infill / transit-oriented development projects, and approved amending the Memorandum of Understanding (MOU) between the Sacramento Regional County Sanitation District (SRCSD) and the City to increase the amount of credits that may be awarded to housing projects.
- C. The City of Sacramento has been awarded a total of 8,727 Credits. As of June 2010, the City of Sacramento has issued 2,007 Credits to eligible projects.
- D. Elmhurst Terrace housing project was previously approved by City Council on June 24, 2007 (Resolution Number 2007-464) for 25 sewer credits. Because housing units were located on the project site, the SRCSD quote was reduced from 33 estimated single-family dwellings (ESD) to 25 ESDs. After City Council's approval, one housing unit was built before the project's guarantor went bankrupt and the project was foreclosed upon. Currently, Hydrox-Elmhurst, LLC is recommencing the project. The Economic Development Treatment Capacity Bank Sewer Credit Program qualifications require any and all credits awarded to expire if applicant has not paid its requisite sewer impact fee to SRCSD within one year from the date of approval. Since the project built one housing-unit after Council's initial approval, the current SRCSD quote was reduced from 25 ESDs to 24 ESDs. Therefore, the applicant, Hydrox-Elmhurst, LLC. has re-applied for 24 sewer credits for the Elmhurst Terrace housing project.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Council finds that award of Credits for the Elmhurst Terrace housing project meets the approved criteria for granting of Credits pursuant to Resolution 2006-457, and hereby awards a maximum of 24 SRCSD Credits to Hydrox-Elmhurst, LLC. ("Recipient") for this 33-unit infill

housing project located at the 34th and U Street (APN: 010-0141-047, 059-062, 066).

Section 2. Any and all Credits awarded herein shall expire if said Recipient has not paid its requisite sewer impact fee to SRCSD within one year from the date of approval of this Resolution.

Section 3. Any and all Credits awarded herein to said Recipient will expire if all building permits for the 33 housing units at the Elmhurst Terrace housing project are not issued within one year from the date of approval of this Resolution.