



City of Sacramento City Council

915 I Street, Sacramento, CA, 95814
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Meeting Date: 1/29/2013

Report Type: Consent

Title: Sewer Credit Approval: Capitol Lofts

Report ID: 2013-00092

Location: District 4

Recommendation: Pass a Resolution awarding 34.08 Treatment Capacity Bank Credits to the Capitol Lofts Project located at 1108 R Street (District 4)

Contact: Sabrina Tefft, Project Manager, (916) 808-3789, Economic Development Department

Presenter: None

Department: Economic Development Dept

Division: Citywide Development

Dept ID: 18001031

Attachments:

1-Description/Analysis

2-Resolution

City Attorney Review

Approved as to Form
 Joseph Cerullo
 1/24/2013 11:23:19 AM

City Treasurer Review

Reviewed for Impact on Cash and Debt
 Russell Fehr
 1/14/2013 12:58:03 PM

Approvals/Acknowledgements

Department Director or Designee: Jim Rinehart 1/23/2013 2:15:41 PM

Description/Analysis

Issue: The City of Sacramento’s Economic Development Department recommends approval of the attached resolution awarding 34.08 Treatment Capacity Bank Credits (“**Credits**”) to 1108 R Street Investors, LP for the project known as “Capitol Lofts,” located at 1108 R Street in Sacramento (APN 009-0075-001). If the City Council awards the requested 34.08 Credits, the City will have 3,723.46 Credits remaining. When completed, the Capitol Lofts project will provide a mixed-use building with 116 multi-family infill dwelling units (loft-style apartments), with 89 units designated as low-income and 12,975 square feet of commercial space.

Policy Considerations: The City views projects that promote urban infill development as an important cornerstone to the City’s economic development goals. The City also supports such projects to make Sacramento the most livable city in America. Approval of the attached resolution serves to promote this City policy objective by constructing 116 infill-development housing units.

Economic Impacts: None

Environmental Considerations: This project was subject to environmental review as part of its development-application approval.

Sustainability: N/A

Commission/Committee Action: N/A

Rationale for Recommendation: The Sacramento Regional County Sanitation District (“**SRCS**D”) established an Economic Development Treatment Capacity Bank (the “**Bank**”) in June 2000. Since 2001, the City has participated in the Bank under a memorandum of understanding (the “**MOU**”) with SRCS D. As required by the MOU, the City Council has approved guidelines for allocating and awarding Credits from the Bank, most recently by the adoption of Resolution 2006-457 in 2006. This application for 34.08 Credits meets the Council-approved guidelines for allocating and awarding of Credits because the Capitol Lofts project is an urban-and-residential infill development, as defined in the City’s General Plan. The project will bring 116 infill housing units to the central city, creating a sustainable and livable community.

Financial Considerations: None

Emerging Small Business Development (ESBD): No goods or services are being purchased as a result of this action.

RESOLUTION NO.

Adopted by the Sacramento City Council

AWARDING 34.08 TREATMENT CAPACITY BANK CREDITS TO THE CAPITOL LOFTS PROJECT LOCATED AT 1108 R STREET (DISTRICT 4)

BACKGROUND

- A. On March 20, 2001, the City Council approved City Agreement No. 2001-177, a Memorandum of Understanding (“**MOU**”) initiating the City’s participation in the Economic Development Treatment Capacity Bank (the “**Bank**”) established by the Sacramento Regional County Sanitation District (“**SRCS**D”).
- B. On June 20, 2006, the City Council approved an amendment of the MOU to increase the amount of Treatment Capacity Bank Credits (“**Credits**”) that may be awarded from the Bank to housing projects.
- C. Resolution 2006-457 approved guidelines for the granting of Credits for commercial development, Downtown, low-income, and infill / transit-oriented development projects.
- D. The Bank has awarded the City a total of 8,727 Credits. As of December 2012, the City had issued 4,969.46 credits to eligible projects.
- E. 1108 R Street Investors, LP (the “**Recipient**”) is the developer of the Capitol Lofts Project at 1108 R Street in Sacramento (APN 009-0075-001), which will include a mix of uses including 116 multi-family infill dwelling units and 12,975 square feet of commercial space (the “**Project**”). The Project falls within the guidelines for granting Credits because it is an urban-and-residential infill development under the City’s General Plan.

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

- Section 1. The City Council finds that an award of Credits for the Project meets the approved guidelines for granting. Accordingly, the City Council hereby awards a maximum of 34.08 Credits to the Recipient for use on the Project.
- Section 2. Credits awarded under this resolution will expire automatically and without notice if either of the following occurs:
 - (a) the Recipient has not paid its requisite sewer-impact fee to SRCS D within one year after the date of this resolution; or

- (b) all building permits for the 116 infill housing units of the Project have not been issued within one year after the date of this resolution.