



City of Sacramento City Council

915 I Street, Sacramento, CA, 95814
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Meeting Date: 2/26/2013

Report Type: Consent

Title: Sewer Credit Allocation: Northwest Land Park/Setzer Property - Phase 1

Report ID: 2013-00187

Location: District 4

Recommendation: Pass a Resolution allocating 150.75 Treatment Capacity Bank Credits to the Northwest Land Park/Setzer Property - Phase 1 Project located at 2570 3rd Street and 2640 5th 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

Not Approved as to Form
Joseph Cerullo
2/20/2013 10:19:06 AM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Russell Fehr
2/19/2013 9:18:07 AM

Approvals/Acknowledgements

Department Director or Designee: Jim Rinehart - 2/19/2013 4:07:03 PM

Description/Analysis

Issue: The City of Sacramento’s Economic Development Department recommends approval of the attached resolution allocating 150.75 Treatment Capacity Bank Credits (“Credits”) to Northwest Land Park, LLC for Phase 1 of the project known as “Northwest Land Park/Setzer Property,” located at 2870 3rd Street and 2640 5th Street in Sacramento (Assessor’s Parcel Numbers 009-0030-008, 009-0030-019, 009-0286-013, 009-0286-014). If the City Council allocates the requested 150.75 Credits, the City will have 3,653.29 Credits remaining. When completed, Northwest Land Park/Setzer Property – Phase 1 will include 201 multi-family infill dwelling units.

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 facilitating the construction of 201 infill homes.

Economic Impacts: None.

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

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The Sacramento Regional County Sanitation District (“SRCSD”) established an Economic Development Treatment Capacity Bank (the “Bank”) in June 2000. Creation of the Bank was made possible by SRCSD’s purchase of unused sewer capacity from industrial users (e.g., closed canneries). The Bank allocated the Credits to SRCSD’s member agencies, which in turn allocate the Credits to new development projects in accordance with SRCSD’s guidelines and their own guidelines.

Since 2001, the City has participated in the Bank under City Agreement No. 2001-177, a memorandum of understanding with SRCSD (the “MOU”). As required by the MOU, the City Council has approved guidelines for allocating Credits, most recently by the adoption of Resolution No. 2006-457 in 2006. This application for 150.75 Credits meets the Council-approved guidelines for allocating Credits because the Northwest Land Park/Setzer Property – Phase 1 is a development project that qualifies as “urban,” “infill,” and “residential” under the City’s General Plan. The project will facilitate construction of 201 infill-development homes in the Central City Community Plan Area, 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

ALLOCATING 150.75 TREATMENT CAPACITY BANK CREDITS TO THE NORTHWEST LAND PARK/SETZER PROPERTY – PHASE 1 PROJECT LOCATED AT 2570 3RD STREET, 2640 5TH 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 allocated from the Bank to housing projects.
- C. Resolution No. 2006-457 approved guidelines for allocating Credits to 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 February 1, the City had allocated 4,922.96 Credits to eligible projects.
- E. Northwest Land Park, LLC (the “**Recipient**”) is the developer of the Northwest Land Park/Setzer Property – Phase 1 Project at 2570 3rd Street and 2640 5th Street in Sacramento (APN 009-0030-008, 009-0030-019; 009-0286-013, 009-0286-014), which will include 201 multi-family infill dwelling units (the “**Project**”). The Project falls within the guidelines for allocating Credits because it is an infill development that qualifies as “urban,” “infill,” and “residential” 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 the Project meets the approved guidelines for allocation of Credits. Accordingly, the City Council hereby allocates a maximum of 150.75 Credits to the Recipient for use on the Project.
- Section 2. Credits allocated 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 201 multi-family infill dwelling units have not been issued within one year after the date of this resolution.