

**Meeting Date: 8/27/2013**

**Report Type:** Consent

**Report ID:** 2013-00675

**Title: Sewer Credit Allocation: 16 Powerhouse Project**

**Location:** District 4

**Issue:** The City Council's guidelines for the allocation of sewer credits require that the City Council approve allocations exceeding 15 credits. See Resolution 2006-457.

**Recommendation:** Pass a Resolution allocating 27.87 Treatment Capacity Bank Credits to the 16 Powerhouse project located at 1601 16th Street.

**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

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**City Attorney Review**

Approved as to Form  
Joseph Cerullo  
8/21/2013 4:31:14 PM

**City Treasurer Review**

Reviewed for Impact on Cash and Debt  
John Colville  
8/16/2013 12:22:09 PM

**Approvals/Acknowledgements**

Department Director or Designee: Jim Rinehart - 8/20/2013 4:48:13 PM

## Description/Analysis

**Issue:** The City of Sacramento's Economic Development Department recommends approval of the attached resolution allocating 27.87 Treatment Capacity Bank Credits ("**Credits**") to 16 Powerhouse Investors, LLC for the project known as "16 Powerhouse," located at 1601 16<sup>th</sup> Street in Sacramento (APN 006-0293-026). If the City Council allocates the requested 27.87 Credits, the City will have 3,403.68 Credits remaining.

**Policy Considerations:** The City views projects that promote job growth and creation as an important cornerstone of 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 creating new jobs and encouraging business expansion.

**Economic Impacts:** None

**Environmental Considerations:** The 16 Powerhouse 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 ("**SRCS**D") established an Economic Development Treatment Capacity Bank (the "**Bank**") in June 2000. Creation of the Bank was made possible by SRCS D's purchase of unused sewer capacity from industrial users (e.g., closed canneries). The Bank allocated the Credits to SRCS D's member agencies, which in turn allocate the Credits to new development projects in accordance with SRCS D's guidelines and their own guidelines.

Since 2001, the City has participated in the Bank under City Agreement No. 2001-054, a memorandum of understanding with SRCS D (the "**MOU**"). As required by the MOU, the City Council has approved guidelines for allocating Credits, most recently by the adoption of Resolution 2006-457 in 2006. This application for 27.87 Credits meets the Council-approved guidelines for allocating Credits, because 16 Powerhouse is a development project that qualifies as "infill" and "residential" under the City's General Plan. The project will facilitate construction of 50 apartment units and 3 retail concepts 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 27.87 TREATMENT CAPACITY BANK CREDITS TO THE 16 POWERHOUSE PROJECT LOCATED AT 1601 16<sup>TH</sup> STREET (DISTRICT 4)**

#### **BACKGROUND**

- A. On March 20, 2001, the City Council approved City Agreement No. 2001-054, 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 August 1, the City had allocated 5,295.45 Credits to eligible projects.
- E. 16 Powerhouse Investors, LLC (the "**Recipient**") is the developer of the 16 Powerhouse project at 1601 16<sup>th</sup> Street in Sacramento (APN 006-0293-026) (the "**Project**"). The Project falls within the guidelines for granting 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 27.87 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 SRCSD within one year after the date of this resolution; or
- (b) the Recipient has not been issued a building permit for the Project within one year after the date of this resolution.