

**Meeting Date:** 11/6/2014

**Report Type:** Consent

**Report ID:** 2014-00810

**Title:** Allocation of Sewer Credits to Domus Development, LLC for the Curtis Park Court Project

**Location:** District 5

**Recommendation:** Pass a Resolution allocating 68.25 Economic Development Treatment Capacity Bank Credits to Domus Development, LLC for the Curtis Park Court Project located between 10th Avenue and 24th Street.

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

**Presenter:** None

**Department:** Economic Development Dept

**Division:**

**Dept ID:**

**Attachments:**

1-Description/Analysis

2-Background

3-Resolution

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**City Attorney Review**

Approved as to Form

Joseph Cerullo

10/23/2014 11:53:40 AM

**Approvals/Acknowledgements**

Department Director or Designee: John Dangberg - 10/22/2014 12:48:23 PM

## Description/Analysis

**Issue:** The Economic Development Department recommends approval of the attached resolution allocating 68.25 Economic Development Treatment Capacity Bank Credits (“Credits”) to Domus Development, LLC for the Curtis Park Court Project between 10<sup>th</sup> Avenue and 24<sup>th</sup> Street in Sacramento (APN 013-0010-040). If the City Council allocates the requested 68.25 Credits, the City will have 2739.22 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:** 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 a series of agreements, the first of which was City Agreement No. 2001-054, a memorandum of understanding with SRCSD. As required by these agreements, the City Council has approved guidelines for allocating Credits, most recently by the adoption of Resolution 2006-457 in 2006. This application for 68.25 Credits meets the Council-approved guidelines for allocating Credits, because Curtis Park Court is a development project that qualifies as “infill” and “residential” under the City’s General Plan. The project will facilitate construction of 91 units of low-income infill senior housing in Curtis Park Village within the Land Park Community Plan Area, creating a sustainable and livable community.

**Financial Considerations:** None.

**Local Business Enterprise (LBE):** Not applicable.

**BACKGROUND:**

On June 18, 2013, the City Council allocated 68.25 sewer credits to Domus Development, LLC for the Curtis Park Court Project (Resolution Number 2013-0195). That allocation expired on June 18, 2014, because Domus Development, LLC had not paid its sewer-impact fee to SRCSD within one year after the date of allocation, as required by the guidelines for the Economic Development Treatment Capacity Bank Sewer Credit Program. Domus Development, LLC is ready to proceed with this project and is reapplying for the 68.25 sewer credits.

## RESOLUTION NO.

Adopted by the Sacramento City Council

### **ALLOCATING 68.25 ECONOMIC DEVELOPMENT TREATMENT CAPACITY BANK CREDITS TO DOMUS DEVELOPMENT, LLC FOR THE CURTIS PARK COURT PROJECT BETWEEN 10<sup>TH</sup> AVENUE AND 24<sup>TH</sup> STREET (DISTRICT 5)**

#### **BACKGROUND**

- A. On March 20, 2001, the City Council approved City Agreement No. 2001-054, thereby initiating the City's participation in the Economic Development Treatment Capacity Bank (the "**Bank**") established by the Sacramento Regional County Sanitation District ("**SRCS**D"). The City Council subsequently approved amendments to City Agreement No. 2001-054 on June 20, 2006, and October 8, 2013.
- B. Under City Agreement No. 2001-054 as amended, SRCS D transferred Economic Development Treatment Capacity Bank Credits ("**Credits**") to the Bank and then allocated the Credits to the jurisdictions that were participating in the Bank, including the City.
- C. Resolution No. 2006-457 approved guidelines for the City Council's awarding of Credits for commercial development, Downtown, low-income, and infill / transit-oriented development projects, as well as a contingency usage.
- D. The Bank has awarded the City a total of 8,993.1 Credits. As of September 2, 2014, the City had allocated 6,185.63 Credits to eligible projects.
- E. Domus Development, LLC (the "**Recipient**") is the developer of the Curtis Park Court project between 10<sup>th</sup> Avenue and 24<sup>th</sup> Street in Sacramento (APN 013-0010-040) (the "**Project**"). The Project falls within the guidelines for granting Credits because it is a development that qualifies as "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 68.25 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.