

Meeting Date: 12/16/2014

Report Type: Consent

Report ID: 2014-00930

Title: Allocation of Sewer Credits to Northwest Land Park, LLC for the Northwest Land Park Project

Location: District 4

Recommendation: Pass a Resolution allocating 150.75 Economic Development Treatment Capacity Bank Credits to Northwest Land Park, LLC for the Northwest Land Park Project located at 2570 3rd Street and 2640 5th Street.

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

Presenter: None

Department: Economic Development Dept

Division: Citywide Development

Dept ID:

Attachments:

1-Description/Analysis

2-Background

3-Resolution

City Attorney Review

Approved as to Form

Joseph Cerullo

12/11/2014 2:11:38 PM

Approvals/Acknowledgements

Department Director or Designee: John Dangberg - 12/10/2014 2:05:09 PM

Description/Analysis

Issue Detail: The City of Sacramento’s Economic Development Department recommends approval of the attached resolution allocating 150.75 Economic Development Treatment Capacity Bank Credits (“Credits”) to Northwest Land Park, LLC for the project known as “Northwest Land Park Project,” located at 2870 3rd Street and 2640 5th Street in Sacramento (APN 009-0030-008, 009-0030-019, 009-0286-013, 009-0286-014). If the City Council allocates the requested 150.75 Credits, then the City will have 2,807.47 Credits remaining.

Policy Considerations: Approval of the attached resolution will promote housing that furthers the City’s affordable-housing and infill-development goals. The City supports such projects to make Sacramento the most Livable City in America.

Economic Impacts: None.

Environmental Considerations: The Northwest Land Park 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 150.75 Credits meets the Council-approved guidelines for allocating Credits, because the Northwest Land Park Project 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.

Local Business Enterprise (LBE): Not applicable.

BACKGROUND:

On February 26, 2013, the City Council allocated 150.75 sewer credits to Northwest Land Park, LLC for the Northwest Land Park Project (Resolution Number 2013-0050). That allocation expired on February 26, 2014, because Northwest Land Park, LLC did not pay the 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. Northwest Land Park, LLC is ready to proceed with this project and is reapplying for the 150.75 sewer credits.

RESOLUTION NO.

Adopted by the Sacramento City Council

ALLOCATING 150.75 ECONOMIC DEVELOPMENT TREATMENT CAPACITY BANK CREDITS TO NORTHWEST LAND PARK, LLC FOR THE NORTHWEST LAND PARK PROJECT, LOCATED AT 2570 3RD STREET AND 2640 5TH STREET (DISTRICT 4)

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 2006-457 approved guidelines for the City Council's allocating of Credits for commercial development, Downtown, low-income, and infill / transit-oriented development projects, as well as a contingency usage.
- D. The Bank has allocated to the City a total of 8,993.1 Credits. As of November 1, 2014, the City had allocated 6,185.63 Credits to eligible projects.
- E. Northwest Land Park, LLC (the "**Recipient**") is the developer for Northwest Land Park Project at 2570 3rd Street and 2640 5th Street in Sacramento (APN 009-0030-08, 009-0030-019, 009-0286-013, 009-0286-014) (the "**Project**"), which will include 201 multi-family dwelling units. The Project falls within the guidelines for allocating Credits because it is a 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 allocating 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 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.