



City Council Report

915 I Street, 1st Floor

Sacramento, CA 95814

www.cityofsacramento.org

File #: 2016-01167

Consent Item 02

Title: Allocation of Sewer Credits to Manor Flats, LLC for the Manor Flats Project

Recommendation: Pass a Resolution allocating 18 Economic Development Treatment Capacity Bank Credits to Manor Flats, LLC for its Manor Flats project at 1528 and 1530 F Street.

Location: District 4

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

Presenter: None

Department: Economic Development Department

Attachments:

1-Description/Analysis

2-Resolution

Description/Analysis

Issue Detail: The City of Sacramento's Economic Development Department recommends approval of the attached resolution allocating 18 Economic Development Treatment Capacity Bank Credits ("**Credits**") to Manor Flats, LLC for its Manor Flats project at 1528 and 1530 F Street in Sacramento. If the City Council allocates the requested 18 Credits, the City will have 1837.078 Credits remaining.

Policy Considerations: Allocation of these credits to Manor Flats, LLC is consistent with the adopted 2013 Economic Development Strategy goal to invest in building Sacramento and the objective to "encourage strategic investments and initiatives that lead to economic development, job growth and enhance the quality of life in Sacramento." Approval of the attached resolution will promote housing that furthers the City's infill-development goals.

Economic Impacts: This residential new construction project is expected to create approximately 18 total jobs (10 direct jobs and 8 jobs through indirect and induced activities) and result in approximately \$2.5 million in total economic output (\$1.6 million direct output and another \$900,000 of output through indirect and induced activities).

The indicated economic impacts are estimates calculated using a calculation tool developed by the Center for Strategic Economic Research (CSER). CSER utilized the IMPLAN input-output model (2009 coefficients) to quantify the economic impacts of a hypothetical \$1 million of spending in various construction categories within the City of Sacramento in an average one-year period. Actual impacts could differ significantly from the estimates and neither the City of Sacramento nor CSER shall be held responsible for consequences resulting from such differences.

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 ("**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 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 18 Credits meets the Council-approved guidelines for allocating Credits, because the Manor Flats project is a development project that qualifies as “infill” and “residential” under the City’s General Plan. The project includes 18 multi-family homes on a lot that is currently vacant.

Financial Considerations: None.

Local Business Enterprise (LBE): Not applicable.

RESOLUTION NO.

Adopted by the Sacramento City Council
October 13, 2016

ALLOCATING 18 ECONOMIC DEVELOPMENT TREATMENT CAPACITY BANK CREDITS TO MANOR FLATS LLC FOR THE MANOR FLATS PROJECT AT 1528 AND 1530 F 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 ("SRCSD"). 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, SRCSD 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 20, 2016, the City had allocated 7,138.022 Credits to eligible projects.
- E. Manor Flats, LLC (the "Recipient") is the developer of the Manor Flats project located at 1528 and 1530 F Street in Sacramento (APN 002-0171-007 and APN 002-0171-008) (the "Project"). The Project falls within the guidelines for granting Credits because it is an infill 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 18 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.