



CITY OF WHEATLAND

CITY COUNCIL MEETING STAFF REPORT

February 23, 2016

SUBJECT: Adopt Ordinance 457 to Amend Chapters 13.08 and 13.28 of Wheatland Municipal Code Regarding Policies and Procedures for Providing Priority Water and Sewer to Affordable Housing Projects

PREPARED BY: Dane H. Schilling – City Engineer

Recommendation

Staff recommends Council adopt Ordinance 457 to Amend Title 13 of the Wheatland Municipal Code to adopt policies and procedures for providing priority water and sewer services to affordable housing projects.

Background/Discussion

Council introduced this item and conducted the first reading of the proposed ordinance on February 9, 2016. One modification was made to the draft policy memo to make the City Manager the author to be consistent with the ordinance.

Alternatives

The City Council can either:

1. Approve its second reading and adopt the ordinance; or
2. Provide direction to staff regarding changes to the policy or ordinance

Fiscal Impact

There some very minor costs associated with maintaining and updating a spreadsheet that tracks water and sewer capacity, and water and sewer allocations.

Attachments

1. Ordinance 457
2. Policy on Priority Water and Sewer Service to Affordable Housing Projects (draft of February 18, 2016, one change in red strike through text)

ORDINANCE NO. 457

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF WHEATLAND AMENDING TITLE 13 OF THE
WHEATLAND MUNICIPAL CODE TO ADOPT POLICIES
AND PROCEDURES FOR PROVIDING PRIORITY
WATER AND SEWER SERVICE TO AFFORDABLE
HOUSING PROJECTS**

The City Council of the City of Wheatland does ordain as follows:

Section 1. Purpose and Authority. The purpose of this ordinance is to adopt policies and procedures concerning the City's provision of priority water and sewer service to developments that include housing units affordable to lower income households in compliance with Government Code section 65589.7.

Section 2. Additions.

A. Section 13.08.120 is hereby added to the Wheatland Municipal Code to read as follows:

13.08.120 Priority to Affordable Housing Projects

In implementing its sewer allocation policy, the City recognizes and acknowledges its obligation to grant a priority for the provision of available and future sewer resources and services to proposed housing developments that help meet the City's share of the regional housing need for lower income households as identified in the City's General Plan Housing Element. In accordance with Government Code section 65589.7, as the same exists or may hereafter be amended, the City establishes the following policy:

(a) In the event the City experiences service limitations due to constraints in its wastewater treatment and disposal capacity or regulatory restrictions, the City shall, to the extent reasonably feasible, grant priority to proposed developments that include housing units affordable to lower income households, as such developments are defined in Government Code section 65589.7(d).

(b) In meeting its obligations under Government Code section 65589.7 to provide priority sewer service for proposed developments that include housing units affordable to lower income households, the City shall take into account (i) the Regional Housing Needs Allocation prepared by the Sacramento Area Council of Governments, and (ii) other plans, documents and information that provide a reasonable basis for making service determinations.

(c) Applications for proposed developments that include housing units affordable to lower income households shall not be denied, nor shall conditions be imposed thereon or services which are applied for be reduced, unless the City

makes specific written findings that such denial, condition, or reduction is necessary due to the existence of one or more of the following:

(i) The City does not have sufficient wastewater treatment or collection capacity, as demonstrated by a written engineering analysis and report on the condition of the treatment or collection works, to serve the needs of the proposed development;

(ii) The City is under an order issued by the Regional Water Quality Control Board that prohibits new sewer connections; or

(iii) The applicant has failed to agree to reasonable terms and conditions relating to the provision of service generally applicable to development projects seeking sewer service from the City, including, but not limited to, the requirements of local, state, or federal laws and regulations or payment of a fee or charge imposed pursuant to Government Code section 66013.

(d) The City shall not discriminate in any manner when considering and processing requests for service for developments that include housing units affordable to lower income households.

(e) In the circumstance where the City has tentative and/or final subdivision map applications on record in excess of the wastewater treatment and disposal capacity available, the City shall determine which projects should receive such capacity based on the policy adopted by the City Council. The City shall notify in writing any project applicants that will not receive the available wastewater treatment and disposal capacity.

(f) At such time as the City makes specific written findings for denial of service in accordance with this policy, the City shall also, if possible, establish written conditions whereby the applicant may address, remedy or resolve the City's findings, to the satisfaction of the City.

B. Section 13.28.070 is hereby added to the Wheatland Municipal Code to read as follows:

13.28.070 Priority to Affordable Housing Projects

In implementing its water allocation policy, the City recognizes and acknowledges its obligation to grant a priority for the provision of available and future water resources and services to proposed housing developments that help meet the City's share of the regional housing need for lower income households as identified in the City's General Plan Housing Element. In accordance with Government Code section 65589.7, as the same exists or may hereafter be amended, the City establishes the following policy:

(a) In the event the City experiences service limitations due to shortages in water supply or regulatory restrictions, the City shall, to the extent reasonably feasible, grant priority to proposed developments that include housing units affordable to lower income households, as such developments are defined in Government Code section 65589.7(d).

(b) In meeting its obligations under Government Code section 65589.7 to provide priority water service for proposed developments that include housing units affordable to lower income households, the City shall take into account (i) the Regional Housing Needs Allocation prepared by the Sacramento Area Council of Governments, and (ii) other plans, documents and information that provide a reasonable basis for making service determinations.

(c) Applications for proposed developments that include housing units affordable to lower income households shall not be denied, nor shall conditions be imposed thereon or services which are applied for be reduced, unless the City makes specific written findings that such denial, condition, or reduction is necessary due to the existence of one or more of the following:

(i) The City does not have "sufficient water supply," as defined in paragraph (2) of subdivision (a) of Government Code section 66473.7, or is operating under a water shortage emergency as defined in Water Code section 350, or does not have sufficient water treatment or distribution capacity, to serve the needs of the proposed development, as demonstrated by a written engineering analysis and report;

(ii) The City is subject to a compliance order issued by the State Department of Public Health that prohibits new water connections; or

(iii) The applicant has failed to agree to reasonable terms and conditions relating to the provision of water service generally applicable to development projects seeking service from the City, including, but not limited to, the requirements of local, state, or federal laws and regulations or payment of a fee or charge imposed pursuant to Government Code section 66013.

(d) The City shall not discriminate in any manner when considering and processing requests for service for developments that include housing units affordable to lower income households.

(e) In the circumstance where the City has tentative and/or final subdivision map applications on record in excess of the water capacity available, the City shall determine which projects should receive such capacity based on the policy adopted by City Council. The City shall notify in writing any project applicants that will not receive the available water capacity.

(f) At such time as the City makes specific written findings for denial of service in accordance with this policy, the City shall also, if possible, establish written conditions whereby the applicant may address, remedy or resolve the City's findings, to the satisfaction of the City.

Section 3. Effective Date. This ordinance shall take effect 30 days after its final passage.

Section 4. Posting. Within 15 days after the City Council adopts this ordinance, the City Clerk shall cause the ordinance to be posted in at least three public places within the City.

PASSED AND ADOPTED by the City Council of the City of Wheatland on the 23rd day of February, 2016, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

By: _____
James Pendergraph, Mayor

Attest:

Lisa J. Thomason, City Clerk

I hereby certify that the foregoing is a true and correct copy of City of Wheatland Ordinance No. ____, which ordinance was duly introduced, adopted and posted pursuant to law.

Lisa J. Thomason, City Clerk



DRAFT of 2/18/16

CITY OF WHEATLAND

POLICY MEMORANDUM

Water and Sewer Allocations for Affordable Housing Projects

SUBJECT: Procedures for Providing Priority Water and Sewer Allocations to Affordable Housing Projects

PREPARED BY: ~~Dane H. Schilling~~ Greg Greeson – City ~~Engineer~~ Manager

ORDINANCE NO.: _____

COUNCIL APPROVAL DATE: February _____, 2016

REVIEWED AND/OR REVISED: _____, _____, _____

Background

On _____, 2016, the City Council adopted Ordinance _____ regarding priority water and sewer service to affordable housing projects in the City of Wheatland. Government Code Section 65589.7 requires that the City adopt written policies and procedures for providing priority water and sewer services to housing developments that include affordable housing units. The goal of this law is to eliminate barriers experienced by affordable housing developers in their efforts to build housing for lower income families and workers. Section 65589.7 requires that such policies and procedures be reviewed and readopted at least once every five years.

Policy

The purpose of this policy is to provide guidance to City Staff in applying the aforementioned ordinance consistent with Government Code Section 65589.7. Water and sewer allocations are referred to herein as “allocations”.

When considering a project that contains affordable housing units, City Staff and its consultants must follow these guidelines:

1. Allocations will be granted on a first-come, first-served basis.

2. The City Engineer will establish and maintain a tracking system for water and sewer allocations. The City Engineer shall provide currently available allocations to staff and/or potential applicants upon request.
3. The proposed project must be within the City Limits to apply for affordable housing water and sewer priority allocations.
4. Applicants must notify the City in writing with its project application that they are seeking to obtain priority water and sewer service allocations, specifying the proposed number of affordable housing units and the number of non-affordable housing units.
5. Priority allocations may only be applied to those units deemed by the City that qualify as affordable housing and may not be applied to non-affordable housing units.
6. "Affordable Housing" or "Low Income Housing" must meet the criteria and definitions set forth by the State.
7. Proposed affordable housing units must meet the requirements of the Sacramento Area Council of Government's (SACOG) Regional Housing Needs Plan (RHNP) and count toward meeting the City's Regional Housing Needs Allocation (RHNA) goal.
8. Water and/or sewer capacity allocations may only be secured by and upon execution of a development agreement or recordation of final maps.
9. For the purposes of applying for and processing projects, water and sewer allocations may be temporarily earmarked for a project upon receipt of a complete application that contains affordable housing and upon issuance of a "Will Serve" letter from the City Engineer. Earmarks will expire 16-months after the issuance of a Will Serve letter, upon execution of a development agreement, or upon recordation of the Final Map.
10. Allocations are under the sole control of the City and may not be sold, assigned or transferred by the applicant.
11. Allocations will be attached to the lands of the proposed project as identified in the project application, development agreement and/or Final Map.
12. Development Agreements may contain language to limit the terms and impose the expiration of allocations.
13. This policy of priority allocations for affordable housing projects will be suspended if and when the City has met its RHNA goals as determined by SACOG.
14. Appeals to this policy and the application thereof will be heard by the City Council. The City Council's determination on appeals will be final.

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