



## City Council Report

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**File ID:** 2019-00635

May 28, 2019

**Consent Item 02**

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**Title:** Allocation of Sewer Credits to Thai Tran for the Tranvilla Housing Project

**Location:** District 6

**Recommendation:** Adopt a Resolution allocating 24 Economic Development Treatment Capacity Bank Credits to Thai Tran for the Tranvilla Housing Project.

**Contact:** Tim Padden, Economic Development Project Manager, (916) 808-8506, Office of City Manager, Innovation and Economic Development Office

**Presenter:** None

**Attachments:**

1-Description/Analysis

2-Resolution

## Description/Analysis

**Issue Detail:** Thai Tran has applied for 24 Economic Development Treatment Capacity Bank Credits (Credits) for the Tranvilla Housing Project (Project) located at 6458 Stockton Blvd. The Project is a combination of market rate and affordable housing units and is anticipated to break ground in June 2019. The 32-unit Project will be built on vacant land located behind the Pho Saigon Bay Restaurant on Stockton Blvd. The Project will provide much needed housing to the community. Staff recommends approval of the attached resolution that allocates 24 credits for the completion of the Project. If the City Council approves the attached resolution, the City will have 507.1316 Credits remaining as of May 28, 2019. Project completion is anticipated for late Summer 2020.

**Policy Considerations:** The City's Economic Development Strategy goals include supporting physical development and investment in the city with efforts to create jobs, improve quality of life, and provide the necessary infrastructure to attract development and businesses. Encouraging projects that promote job creation and growth is an important cornerstone of the City's economic-development goals. Within the 2035 General Plan as part of the economic development goals, one of our commitments is to promote and support such projects to make Sacramento the most livable city in America as well as to support and encourage efforts to implement key development projects that meet the City's revitalization and redevelopment goals.

**Economic Impacts:** The new residential construction project is expected to create approximately 21 total jobs and result in approximately \$3.4 million in total economic output (\$2.2 million direct output and another \$1.2 million 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:** The project has been deemed exempt from the California Environmental Quality Act pursuant to section 15332 (infill development) of the CEQA Guidelines (Cal. Code Regs., tit. 14). The allocation of sewer credits implements the project, and no CEQA review is required.

**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. The City received a total of 8,993.10 credits.

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 approved guidelines for allocating Credits by the adoption of Resolution No. 2006-457. This application for 24 Credits meets the Council-approved guidelines for allocating Credits, because the Tranvilla Housing project qualifies as “infill” and “residential” development under the City’s 2035 General Plan. Furthermore, the project qualifies as “infill” under the SRCSD’s policy.

**Financial Considerations:** Not Applicable

**Local Business Enterprise (LBE):** None

## RESOLUTION NO.

Adopted by the Sacramento City Council

May 28, 2019

### **ALLOCATING 24 ECONOMIC DEVELOPMENT TREATMENT CAPACITY BANK CREDITS TO THAI TRAN FOR THE TRANVILLA HOUSING PROJECT LOCATED AT 6458 STOCKTON BOULEVARD (DISTRICT 6)**

#### **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 May 28, 2019, the City had allocated 8,456 Credits to eligible projects. If the City Council approves this resolution, the City will have 507.1316 Credits remaining.
- E. Thai Tran (the "**Recipient**") is the developer of Tranvilla housing project, a project located at 6458 Stockton Boulevard in Sacramento (039-0241-023) (the "**Project**"). The Project falls within the guidelines for granting Credits because it qualifies as "infill" development 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 24 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.