



# City of Sacramento City Council

915 I Street, Sacramento, CA, 95814  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

**Meeting Date:** 1/25/2011

**Report Type:** Consent

**Title:** Sewer Credits: Del Paso Nuevo Unit 4 Housing Development

**Report ID:** 2011-00046

**Location:** 500- 572 South Avenue, 500-656 Willie Hausey Way, 3500- 3580 Mamie Jennings Way, 503-575 Hayes Avenue: Entire subdivision Lots 1-81 (District 2)

**Recommendation:** Adopt a Resolution, awarding a total of 30 Sacramento Regional County Sanitation District (SRCSD) connection fee credits to Del Paso Nuevo, LLC. for the project known as "Del Paso Nuevo Unit 4."

**Contact:** Jennifer Witz, Project Coordinator, (916) 808-2796, Economic Development

**Presenter:** None

**Department:** Economic Development Division

**Division:** Citywide Development

**Dept ID:** 18001031

## **Attachments:**

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- 1-Description/Analysis
- 2-Background
- 3-Application
- 4-Quote
- 5-Resolution

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### **City Attorney Review**

Approved as to Form  
Sheryl N. Patterson  
1/12/2011 8:08:54 AM

### **City Treasurer Review**

Prior Council Financial Policy Approval or  
Outside City Treasurer Scope  
Russell Fehr  
12/28/2010 2:22:17 PM

### **Approvals/Acknowledgements**

Department Director or Designee: Jim Rinehart - 1/6/2011 1:40:33 PM

Assistant City Manager: John Dangberg - 1/11/2011 6:14:48 PM

## Description/Analysis

**Issue:** The City of Sacramento's Economic Development Department recommends approval of the attached resolution awarding 30 Sacramento Regional County Sanitation District (SRCSD) sewer credits to the infill and affordable housing project known as Del Paso Nuevo Unit 4 housing project located at 500- 572 South Avenue, 500-656 Willie Hausey Way, 3500-3580 Mamie Jennings Way, 503-575 Hayes Avenue: Entire subdivision Lots 1-81, in Sacramento (APN: 250-0140-005, 006, 007, 008, 009, 021, 022, 023, 024, 026, 028, 040, 041, 042). When completed, Del Paso Nuevo Unit 4 housing project will have built 81 single-family residences, where over half of the units will be affordable.

In 2007, City Council approved 72 sewer credits for the Del Paso Nuevo Unit 4 housing project. Through 2008 and 2009 the project built on and sold 14 of the 81 lots, leaving 67 sewer credits to expire. The Economic Development Treatment Capacity Bank Sewer Credit Program qualifications requires any and all credits awarded to expire if applicant has not paid its requisite sewer impact fee to SRCSD within one year from the date of approval. Del Paso Nuevo, LLC proposes to build out the project in phases of 10 units at a time with a new phase estimated to start every six months. As a result, Del Paso Nuevo Unit 4 is reapplying for only 30 sewer credits at this time and will return to Council with other sewer credit applications as the project develops.

**Policy Considerations:** The City of Sacramento views projects that promote affordable housing and infill development as important cornerstones to the City's economic development. The City of Sacramento also supports such projects to make Sacramento the most livable city in America. Approval of the subject recommendation serves to promote this city policy objective.

**Environmental Considerations:** This project was subject to environmental review as part of the approval of its development entitlements. Under the California Environmental Quality Act (CEQA) guidelines, no additional environmental review is required for the award of sewer credits for this project.

**Commission/Committee Action:** na

**Rationale for Recommendation:** This application for 30 sewer connection fee credits meets Council-approved criteria for the granting of sewer credits pursuant to Resolution 2006-457, adopted on June 20, 2006, because Del Paso Nuevo Unit 4 housing project is an affordable housing and infill development. Once fully constructed the affordable housing development project will bring 81 infill housing units to the Del Paso Heights Neighborhood creating an affordable and livable community.

**Financial Considerations:** Approval of the Resolution has no financial impact to the City.

**Emerging Small Business Development (ESBD):** na

## **BACKGROUND:**

The Sacramento Regional County Sanitation District (SRCSD) established an Economic Development Treatment Capacity Bank (Bank) in June 2000 and the City of Sacramento received the initial allocation of 7,971 Equivalent Single Family Dwellings (ESDs) Credits from the Bank. At the time, SRCSD limited local jurisdictions to using a maximum of 15 percent of its total allocation for residential projects. The City of Sacramento subsequently received another allocation of 756 ESDs in March 2005, bringing the total ESDs to 8,727. As of December 2010, the City of Sacramento has a remaining 3,478.72 Credits available for eligible projects.

Following the allocation, the City requested greater latitude to use more of the Credits to assist in housing development. In response to the City's request, SRCSD reconvened the Stakeholders' Working Group to discuss the proposed additional flexibility for residential purposes, to recommend a methodology for allocation of additional excess capacity that the District has purchased, disbursement guidelines for the District's own allocation from the Bank, and to address other administrative actions.

SRCSD agreed to expand the criteria for the housing allocation to include infill and transit-oriented housing and provided for an additional 15 percent annual allocation for housing projects. This permitted each local jurisdiction to have more flexibility in using the Bank Credits.

Resolution 2006-457 approved the amended Memorandum of Understanding (MOU) between the SRCSD and the City to include these policy changes. The Resolution also approved the Guidelines for the allocation and awarding of Treatment Capacity Bank Credits for commercial development, Downtown, low-income, and infill / transit-oriented development (TOD) projects.

In 2007, City Council approved 72 sewer credits for the Del Paso Nuevo Unit 4 housing project. Through 2008 and 2009 the project built on and sold 14 of the 81 lots, leaving 67 sewer credits to expire. The Economic Development Treatment Capacity Bank Sewer Credit Program qualifications requires any and all credits awarded to expire if applicant has not paid its requisite sewer impact fee to SRCSD within one year from the date of approval. Del Paso Nuevo, LLC proposes to build out the project in phases of 10 units at a time with a new phase estimated to start every six months. As a result, Del Paso Nuevo Unit 4 is reapplying for only 30 sewer credits at this time and will return to Council with other sewer credit applications as the project develops.



**CITY OF SACRAMENTO: Application for Economic Development Treatment Capacity Bank Sewer Credits (i.e. a reduction in rate per ESD to \$923)**

Before submitting this application for processing, please contact the Sacramento Regional County Sanitation District (SRCSD) at (916) 876-6100 to receive a quote stating the number of ESD's required for your business. **This application will not be processed without a quote from the SRCSD.** Please call Economic Development at 916-808-7223 with any questions as to eligibility for sewer credits (i.e. a reduction in rate per ESD to \$923) or for assistance in completing the application.

Please print or type your responses to the questions below and provide additional information as requested. When complete, return to: Economic Development Department, City of Sacramento, by mail at 915 I Street, 3<sup>rd</sup> Floor, Sacramento, CA 95814; or by fax to 916-808-8161.

1. Project Name: Del Paso Nuevo Unit 4a
2. Address for which Credits sought: 30 lots Zip: 95838
3. Assessor's Parcel Number: \_\_\_\_\_
4. Legal Name of Business Owner: Del Paso Nuevo LLC
5. Owner's Mailing Address: 4120 Douglas Blvd. #306-375 Granite Bay CA 95746
6. Owner's Phone Number: (916) 223-8451 Owner's Fax Number: (916) 565-1104  
Owner's email address: ~~John.Griffin@NAC.com~~ JGriffin.NAC@gmail.com
7. Brief Project Description: Residential Tract Homes Single Family
8. Please mark the category that best describes your project:
  - A. Residential  Number of Units 30 Low Income Project\*? Yes  No
  - B. Single Resident Converting from Septic Tank \_\_\_\_\_
  - C. Commercial \_\_\_\_\_ Number of new jobs from creation/expansion \_\_\_\_\_
  - D. Mixed \_\_\_\_\_ Number of Residential Units \_\_\_\_\_ Number of new jobs from creation/expansion \_\_\_\_\_
9. Are sewer credits being sought for a business relocating from another site within the Sacramento Metropolitan area? Yes  No  If yes, what address relocating from? \_\_\_\_\_

Applicant signature: John Griffin Date: 1-6-2011  
Print Applicant's Name: John Griffin

\*Low-and very-low-income housing as defined in California Health and Safety Code Sections 50079.5 and 50105.

**To be completed by City:**

Prepared By: \_\_\_\_\_ Number of approved ESDs: \_\_\_\_\_

Approved By: \_\_\_\_\_ Date \_\_\_\_\_  
Jim Rinehart, Economic Development Director

Notes and Project Information:

- \_\_\_\_\_
- \_\_\_\_\_



Sacramento Regional County Sanitation District  
10060 Goethe Rd.  
Sacramento, CA 95827

January 6, 2011

**TO:** WHOM IT MAY CONCERN  
JOHN GRIFFIN [jgriffin@newamericancommunities.com]

**FROM:** DOLORES ROSS  
PERMIT SERVICES UNIT

**RE:** SEWER IMPACT FEES  
DEL PASO NUEVO UNIT 4

**APN: 250-0490-VARIOUS**  
**CASE No. SICR2010-00057**

Sewer Impact Fees due for Del Paso Nuevo Unit 4, Lots 7-18, 23-29, and 61-71, a total of 30 lots, are as follows:\

	<u>ESDs</u>	<u>Rate</u>	<u>Fee</u>
30 Single Family Dwellings	30.0	\$2,800	\$84,000

If I may be of any further assistance, please do not hesitate to call me at 876-6100.

cc: Jennifer Witz, City of Sacramento

Sewer Impact Fees are subject to adjustment if the data supplied has changed.

## **RESOLUTION NO.**

Adopted by the Sacramento City Council

**AWARDING 30 SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT (SRCSD) SEWER CONNECTION FEE CREDITS TO DEL PASO NUEVO, LLC. FOR THE DEL PASO NUEVO UNIT 4 HOUSING PROJECT LOCATED AT 500- 572 SOUTH AVENUE, 500-656 WILLIE HAUSEY WAY, 3500- 3580 MAMIE JENNINGS WAY, 503-575 HAYES AVENUE: ENTIRE SUBDIVISION LOTS 1-81, DISTRICT 2 (APN: 250-0140-005, 006, 007, 008, 009, 021, 022, 023, 024, 026, 028, 040, 041, 042).**

### **BACKGROUND**

- A. On March 20, 2001, City Council approved a Memorandum of Understanding (MOU) to initiate City participation in the Sacramento Regional County Sanitation District Economic Development Treatment Capacity Bank (Agreement No. 2001-177).
- B. On June 20, 2006, City Council approved Resolution 2006-457, approving criteria for the granting of Treatment Capacity Bank Credits (Credits) for commercial development, Downtown, low-income, and infill / transit-oriented development projects, and approved amending the Memorandum of Understanding (MOU) between the Sacramento Regional County Sanitation District (SRCSD) and the City to increase the amount of credits that may be awarded to housing projects.
- C. The City of Sacramento has been awarded a total of 8,727 Credits. As of December 2010, the City of Sacramento has a remaining 3,478.72 Credits available for eligible projects.
- D. In 2007, City Council approved 72 sewer credits for the Del Paso Nuevo Unit 4 housing project. Through 2008 and 2009 the project built on and sold 14 of the 81 lots, leaving 67 sewer credits to expire. The Economic Development Treatment Capacity Bank Sewer Credit Program qualifications requires any and all credits awarded to expire if applicant has not paid its requisite sewer impact fee to SRCSD within one year from the date of approval. Del Paso Nuevo, LLC proposes to build out the project in phases of 10 units at a time with a new phase estimated to start every six months. As a result, Del Paso Nuevo Unit 4 is reapplying for only 30 sewer credits at this time and will return to Council with other sewer credit applications as the project develops.

### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The City Council finds that award of Credits for the Del Paso Nuevo Unit 4 housing project meets the approved criteria for granting of Credits pursuant to Resolution 2006-457, and hereby awards a maximum of 30

SRCSD Credits to Del Paso Nuevo, LLC. ("Recipient") for this 81-unit affordable housing project located at 500- 572 South Avenue, 500-656 Willie Hausey Way, 3500- 3580 Mamie Jennings Way, 503-575 Hayes Avenue: Entire subdivision Lots 1-81, in Sacramento (APN: 250-0140-005, 006, 007, 008, 009, 021, 022, 023, 024, 026, 028, 040, 041, 042).

Section 2. Any and all Credits awarded herein shall expire if said Recipient has not paid its requisite sewer impact fee to SRCSD within one year from the date of approval of this Resolution.

Section 3. Any and all Credits awarded herein to said Recipient will expire if all building permits for the 30 housing units at the Del Paso Nuevo Unit 4 housing project are not issued within one year from the date of approval of this Resolution.