

**THE UNIFIED GOVERNMENT OF ATHENS-CLARKE COUNTY
COMMISSION AGENDA ITEM**

SUBJECT: Water & Wastewater Connection Fees - Athens Land Trust: 853 Reese Street

DATE: June 29, 2021

BUDGET INFORMATION:

REVENUES:

EXPENSES: \$17,200

ANNUAL:

CAPITAL:

OTHER:

FUNDING SOURCE: Water & Sewer Enterprise Fund

COMMISSION ACTION REQUESTED ON: August 3, 2021

PURPOSE:

To request the Mayor and Commission:

- a. Exempt the water and wastewater connection fees of \$17,200 at 853 Reese Street based on Athens Land Trust providing additional affordable housing resources of substantial benefit to the Athens-Clarke County community;
- b. Authorize Mayor and ACCGov staff to execute all related documents.

HISTORY:

1. In 1987, water and wastewater connection fees were established. Subsequent updates to the ordinance occurred on January 5, 1993, October 3, 1995, March 1, 2005, May 6, 2008 and May 10, 2010.
2. On February 7, 2017, the Mayor & Commission (M&C) adopted a revised schedule of water and wastewater connection fees.
3. On June 4, 2019, the M&C adopted revisions to the water connection fee and wastewater connection fee provisions of Code allowing M&C-approved exemptions for public benefits such as affordable housing and job creation.
4. On July 15, 2019, Athens Land Trust submitted a HOME application and requested \$650,000 for housing rehabilitation of the historic Reese Street property to a four-unit multifamily rental property.
5. On June 2, 2020, Mayor and Commission approved funding in the amount of \$580,000 for use by the Athens Land Trust for the development of affordable housing.

6. On February 2, 2021, the M&C accepted the Financial Element of the 2020 Service Delivery Plan Update with associated water and sewer rates and fees charged to water and sewer accounts, as amended by the Commission-Defined Option.
7. On March 2, 2021, M & C approved revisions to water and wastewater connection fees.
8. On May 5, 2021, Athens Land Trust requested water and sewer connection fees of \$17,200 be waived for affordable housing project at 853 Reese Street.

FACTS & ISSUES:

1. *Connection fee purpose and scope.* Water and wastewater connection fees refer to the payment made by a builder or developer representing the share of the capital cost of water and wastewater conveyance and treatment system proportionate to that development's demand. Connection fees help to establish equity in the water and wastewater infrastructure with respect to existing ratepayers. In an enterprise function of government, water and sewer customers are both ratepayers and owners/investors in the environmental and public health infrastructure. The result of charging connection fees is that existing ratepayers' investment in infrastructure with capacity for new development is matched by new development.
2. *Criteria.* Criteria for connection fees include the following:
 - New taps of varying sizes match equity held by existing homes and businesses
 - Fair, defensible and predictable for new investors
 - Fees compare well with other jurisdictions
 - Comport with public interest regarding economic development and affordable housing
3. *Affordable housing and economic development.* Regarding the two criteria of economic development and affordable housing (F&I #2), the ordinance amendment in June 2019 (History #3) allows the M&C to exempt connection fees as follows:

Code Section 5-3-76 Water Connection Fees. "The Mayor and Commission may exempt all or part of particular development projects from water system connection fees if the Mayor and Commission determine that such projects will either: (i) create substantial economic development and employment growth of benefit to the Athens-Clarke County community, or (ii) preserve existing or provide additional affordable housing resources of substantial benefit to the Athens-Clarke County community."

Code Section 5-3-79 Wastewater Connection Fees. "The Mayor and Commission may exempt all or part of particular development projects from wastewater connection fees if the Mayor and Commission determine that such projects will either: (i) create substantial economic development and employment growth of benefit to the Athens-Clarke

County community, (ii) facilitate conversion of existing on-site sewage disposal systems to public wastewater which conversion will substantially benefit water quality in the watershed, or (iii) preserve existing or provide additional affordable housing resources of substantial benefit to the Athens-Clarke County community.”

4. With respect to this policy staff recommends that with this action, M&C consider projects undertaken by ACCGov affordable housing partners as projects of “substantial benefit.” “Affordable housing partners” are those entities that have an established track record of creating additional affordable housing in Athens-Clarke County through previous agreements or grant awards with ACCGov, in conjunction with other funding sources. Athens Land Trust (ALT) has demonstrated a consistent history of benefit to the Athens-Clarke County community through the provision of affordable housing as detailed in **Attachment #1**.
5. This recommendation supports the following M&C Strategic Commitments:
 - Healthy, Liveable, Sustainable Athens-Clarke County
 - Shared Prosperity

OPTIONS:

1. Mayor and Commission:
 - a. Exempt the water and wastewater connection fees of \$17,200 at 853 Reese Street based on Athens Land Trust providing additional affordable housing resources of substantial benefit to the Athens-Clarke County community;
 - b. Authorize Mayor and ACCGov staff to execute all related documents.
2. Mayor and Commission deny the request.
3. Mayor and Commission defined option.

DEPARTMENT RECOMMENDED ACTION:

Option 1 A & B

DEPARTMENT: Public Utilities

Prepared by: Hollis Terry



6/29/2021

Hollis Terry IV

Date:

ADMINISTRATIVE COMMENTS:

ADMINISTRATIVE RECOMMENDATION: Option #1 a & b



Manager

July 13, 2021

Date:

ATTACHMENTS:

Attachment #1 - Project List

Athens Land Trust Projects

2015:

- Phase II new construction of three EarthCraft homebuyer units on Cannon Drive was completed
- Demolition of two houses on Paris Street for future new construction
- Acquisition of four properties for future rental housing (804-806 Waddell Street) and future renovation/new construction activities (482 Ruth Street, 277 and 279 Paris Street, 814 Waddell Street)
- Renovation and sale of a single family homebuyer unit at Waddell Street
- Began lease-purchase agreements with four future homebuyers at Phase I Cannon Drive and at Bray Street
- Manages a portfolio of 156 single-family and multi-family properties (96 rental units, 60 single-family units)

2016:

- Phase III new construction of three EarthCraft homebuyer units began on Cannon Drive
- Sale of three single family homebuyer units at Fourth Street, Cannon Drive, and Evans Street
- Began lease-purchase agreements with five future homebuyers at Cabin Lane, Cannon Drive, Washington Drive, Erwin Court and Dallas Street

2017:

- Phase III new construction of three EarthCraft homebuyer units on Cannon Drive was completed
- Phase IV new construction of three EarthCraft homebuyer units began on Cannon Drive
- New construction of two single-family homebuyer units on Paris Street

2018:

- Phase IV new construction of three EarthCraft homebuyer units on Cannon Drive was completed
- New construction of two single family homebuyer units on Paris Street was completed
- Sale of five single family homebuyer units on Cannon Drive and Paris Street

2019:

- Acquired two properties on West Henderson Extension and began new construction of two EarthCraft homebuyer units
- Acquired property on Head Street and began new construction of an EarthCraft homebuyer unit
- Acquired property on Fuller Street and began major renovation of a single-family homebuyer unit

2020:

- Completed new construction of two EarthCraft homebuyer units on West Henderson Extension
- Completed new construction of one EarthCraft homebuyer unit on Head Street
- Completed major renovation of a single-family homebuyer unit on Fuller Street
- Acquisition of Dublin Street subdivision for future new construction of 12 single-family homebuyer units
- Began major renovation of a single-family home into four rental units on Reese Street

2021:

- Acquisition of a 6 acre lot on Hale Drive for future new construction of 11 single-family EarthCraft homebuyer units
- Demolition of two houses on Hawthorne Extension for future new construction of two single-family homebuyer units
- Major renovation of single-family home into four rental units on Reese Street continues
- New construction of EarthCraft homebuyer unit on Three Oaks Drive completed
- Pending demolition of two units on Waddell Street for future new construction of two EarthCraft homebuyer units
- Pending demolition of three structures located on Ruth Street property, major renovation of the existing single-family housing unit, and future new construction of four EarthCraft homebuyer units