

TO: James L. App, City Manager
FROM: Ron Whisenand, Community Development Director
SUBJECT: Credit for Water Meter Connection Fee
Peoples' Self-Help Housing, 400 Oak Hill Road
DATE: April 18, 2006

Needs: That the City Council authorize a credit for a water connection fee to Peoples' Self-Help Housing Corporation, owner of the Canyon Creek Apartments located at 400 Oak Hill Road.

Facts:

1. On June 18, 2004, Peoples' Self-Help Housing Corporation (PSH), owner of the Canyon Creek Apartments located at 400 Oak Hill Road, was issued a building permit for the construction of 68 residential apartment units.
2. Upon issuance of the permit PSH paid water connection fees in the amount of \$6,022 for a one-inch water meter for the purposes of landscape irrigation.
3. During the course of construction PSH has determined that they need a two-inch water meter for landscape irrigation. The current connection fee for a two-inch water meter is \$43,661.
4. PSH has requested that City Council authorize City staff to apply the connection fee rate which was in effect on June 18, 2004 when the permit was issued. That amount would have been \$19,219 (See attached letter).

**Analysis
and**

Conclusion It would appear that an error was made on the permit application for the landscape irrigation meter for the Canyon Creek Apartments. If the permit application had been consistent with the demands of the irrigation system the water connection fee would have been \$19,219.

Peoples' Self-Help Housing Corporation has appropriately requested the Council to consider their request. Given the background, it would seem reasonable to accept the request of PSH and apply the fee for the two-inch water meter at the rate in effect at the time the building permit was originally issued (\$19,219).

Policy

Reference: none

Fiscal

Impact: \$24,442 in water connection fees, had the permit application been accurate at the time of issuance of the permit, there would be no fiscal impact.

- Options:**
- a. Adopt Resolution No. 06-xx authorizing a two-inch water meter connection fee to Peoples' Self-Help Housing Corporation, owner of the Canyon Creek Apartments located at 400 Oak Hill Road, in the amount of \$19,219 related to a building permit issued on the subject property on June 18, 2004.
 - b. That the City Council amend, modify or reject the above option.

Attachments: (2)

1. Letter from Peoples' Self-Help Housing Corporation
2. Resolution

February 23, 2006

Paso Robles

FEB 24 2006

Planning Division

John Falkenstien, City Engineer
 City of Paso Robles
 1000 Spring Street Spring Street
 Paso Robles, CA 93446

Re: Canyon Creek Apartments, 400 Oak Hill Rd - Landscape Meter

Dear John:

Per discussions between Barbara Naftel-Anderton and our Construction Supervisor, Jim Hurst, it has been determined that we paid for a 1" connection and meter for irrigation, but need a 2" meter. Barbara informed us that the Connection Fees have increased significantly since the time we purchased the 1" service. She informed us that the current rate for a 2" service is \$43,661 and we would be credited \$6,022 for the 1" meter. She also informed us that had we purchased the 2" meter when we purchased the 1" meter, the cost would have been \$19,219.

We herein request that the City reduce the meter fee to the prior rate for this low-income complex. The city is well aware of the cost increases we are struggling with as we are also aware that the city is challenged by their rising cost of operations. We understand that staff may not have the authority to approve this request and if they do not, we would appreciate you forwarding this request to the city council.

	Current Rate	Prior Rate	Difference
2" service	\$43,661	\$19,219	\$24,442
Credit for paid	(6,022)	(6,022)	0
2" Meter Fee	588	588	0
Credit for paid	____(219)	____(219)	____0
Due	\$38,008	\$13,566	\$24,442

We appreciate the City's continued cooperation as we work together to produce the much needed affordable housing for the community.

Sincerely,



Sheryl Flores
 Housing Development Director



RESOLUTION NO. 06-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
AUTHORIZING A WATER CONNECTION FEE CREDIT FOR THE CANYON CREEK
APARTMENTS (PEOPLES' SELP-HELP HOUSING CORPORATION)

WHEREAS, on June 18, 2004, Peoples' Self-Help Housing Corporation was issued building permits for the 68 multi-family residential unit project referred to as the Canyon Creek Apartments located at 400 Oak Hill Road; and

WHEREAS, in accordance with information provided on the permit application materials, Peoples' Self-Help Housing Corporation paid water a water connection fee of \$6,022 for a one-inch water meter for the purposes of landscape irrigation; and

WHEREAS, subsequently it was determined that the permit application was in error with regard to water needed for the landscaping. In a letter dated February 23, 2006, Peoples' Self-Help Housing Corporation requests the City Council to provide a two-inch water meter for landscape irrigation and to apply the water connection fee at the rate in effect at the time the original building permits were issued; that amount being \$19,219.

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS:

SECTION 1. Based on the staff report prepared by the City Engineer, the City Council finds that it is fair and reasonable to provide Peoples' Self-Help Housing Corporation a two-inch water connection for landscaping purposes in the fee amount in effect at the time the project building permits were issued. The building permits were issued on June 18, 2004. The fee in effect for a two-inch water meter was \$19,219 at that time.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 18th day of April 2006 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Cathy M. David, Deputy City Clerk