



## MEMORANDUM

City of Angels City Council

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**Date:** December 16, 2025

**To:** City of Angels City Council

**From:** Dave Richard, PE; Amy Augustine, AICP – City Planner

**Re:** **RESOLUTION 25-91 REIMBURSEMENT AGREEMENT FOR OFF-SITE WATER SYSTEMS IMPROVEMENTS INSTALLED BY EUREKA OAKS/HABITAT FOR HUMANITY**

**RESOLUTION 25-99 AUTHORIZING EUREKA OAKS/HABITAT FOR HUMANITY CALAVERAS TO USE THE REIMBURSEMENT AMOUNT FOR OFF-SITE WATERLINE IMPROVEMENTS TOWARDS ANY OR ALL CAPITAL IMPROVEMENT / IMPACT MITIGATION FEES**

**RESOLUTION 25-100 DIRECTING STAFF TO PURSUE AMENDING THE CITY FEE SCHEDULE TO ALLOW OFFSETTING WORKFORCE HOUSING FEES FOR WASTEWATER CONNECTIONS AT A HIGHER RATE THAN CURRENTLY ALLOWED WITH GRANT FUNDS FOR WASTEWATER CAPITAL IMPROVEMENTS SUBJECT TO LEGAL NOTICING, ESTABLISHING A NEXUS AND A PUBLIC HEARING**

### **RECOMMENDATION:**

1. Approve:
  - A. Resolution 25-91A (**Attachment B**) authorizing a Reimbursement Agreement (**Attachment E**) to allow \$305,000 (55%) in water capital improvement fee credits for the Eureka Oaks Subdivision;  
**OR**
  - B. Resolution 25-91B (**Attachment C**) authorizing a Reimbursement Agreement (**Attachment E**) to allow \$545,000 (100%) in water capital improvement fee credits for Eureka Oaks Subdivision; orfor the off-site water system improvements installed by Eureka Oaks/ Habitat for Humanity Calaveras.
2. The City Council may further consider approving:
  - A. Resolution 25-99 (**Attachment D**) authorizing Eureka Oaks/Habitat for Humanity Calaveras to use the reimbursement amount for off-site waterline improvements towards any or all capital improvement / impact mitigation fees. **AND/OR**

- B. Resolution 25-100 (**Attachment F**) directing staff to pursue amending the city fee schedule to fully offset workforce housing impact fees for wastewater connections with grant funds for wastewater capital improvements subject to legal noticing, establishing a nexus, and a public hearing.

**BACKGROUND/DISCUSSION:**

The City Council approved the Eureka Oaks Subdivision for 65 single-family residences and 42 condominiums on February 16, 2021, pursuant to a Development Agreement (Ordinance 506).

Pursuant to condition #56 of project approval (Development Agreement), the Project Proponents are required to comply with the following:

**56. Water Delivery System Improvements**

Prior to issuance of a certificate of occupancy for any structure on the site, the following water delivery system improvements shall be completed: Extension of the 10-inch pipeline 1,800 ft to Copello Drive and inter-connections to the 8-inch loop are necessary to mitigate deficiencies during emergency demand conditions. [Mitigation Measure UTILITY-2]

***Mitigation Monitoring:*** *The required improvements shall occur prior to issuance of a certificate of occupancy for any structure on the project site. Should the Project Proponent be responsible for funding installation of water system delivery improvements due to Project timing, the City will enter into a reimbursement agreement with the Project Proponent as applicable.*

During project review and approval, the City anticipated completing off-site improvements in advance of the request for a certificate of occupancy. However, as shown, the condition anticipated that a reimbursement agreement for the off-site water delivery system improvements could be necessary if the City did not complete the off-site improvements.

Angels Municipal Code Section 3.24.010 D. addresses how the City will provide credit for Improvements by Developers/In-Lieu as follows:

*If the city requires a developer, as a condition of project approval, to construct facilities or improvements for which impact fees will be charged, the impact fee imposed on that development project for that type of facility shall be adjusted to reflect a credit for the cost of the facilities or improvements constructed by the developer. If **reimbursement** would exceed the amount of the fee to be paid by the development for that type of facility, the city may seek to negotiate **reimbursement** agreement with the developer.*

*In the event a developer offers to dedicate land or construct improvements in lieu of paying impact fees, the city has the discretion to accept or reject such offers. If impact fee credits provided in exchange for such consideration would exceed the amount of the fees that would otherwise have been imposed on such developer(s), then the city may execute a **reimbursement** agreement to the effect that the excess credits are not paid until impact fees are collected from other benefiting development(s).*

Based on the preceding:

- A. As shown above, Condition 56 requires, as a condition of project approval, that the developer construct off-site facilities or improvements “for which impact fees will be charged.” This means that the developer is constructing off-site improvements that are listed as one of the projects in the City’s capital improvement plan (i.e., interconnection) for water for which water capital improvement fees (i.e., impact fees) are charged.
- B. Per Engineer’s estimate (**Attachment A**), the overall off-site waterline improvement cost is \$545,000. The benefit to Eureka Oaks is 45% of this, or \$240,000. The benefit to the City of these improvements is 55%, or \$305,000. Eureka Oaks is paying 100% of the cost.

- C. Therefore, per the City's fee schedule and the Engineer's assessment, Habitat would receive up to \$305,000 (55%) in credit towards **water connection fees** (i.e., water capital improvement fees) for affordable housing projects (low, very low, extremely low income).

The City Council may, alternatively, find that the benefit to the city is greater or less than that established by the Engineer's estimate (See Resolution 1B allocating a 100% reimbursement for the off-site waterline improvements).

**RESOLUTION 25-99 - Use of Reimbursement for Water CIP or Wastewater CIP:**

Under the City's adopted fee program, up to 99 water hookups for low, very low, or extremely low income persons (workforce housing) may occur at a cost of \$0 per hook up **if and only if** the city receives an offsetting amount in local, state or federal grant monies or from an outside supplemental source (other than impact mitigation fees) for projects listed in the city's water capital improvement plan.

Similarly, a *reduced* impact mitigation fee for wastewater capital improvements for low, very low, or extremely low income persons was approved for up to 99 wastewater hookups—again, contingent upon the city receiving an offsetting amount in local, state or federal grant monies or from an outside supplemental source (other than impact mitigation fees) for projects listed in the city's wastewater CIP. This reduction is \$599 per connection for single family (\$8,975 instead of \$9,574) and \$230 per connection for condominiums (\$7,181 instead of \$7,411) was not a reduction to \$0 as was done with water capital improvement fees.

When the City Council made the preceding fee decisions establishing these reduced fees for workforce housing in 2019, the City anticipated a \$3,000,000 grant for water treatment/plant/distribution facilities upgrades and improvements listed in the water capital improvement plan. However, the state economy resulted in the governor removing the city's \$3,000,000 pending allocation a few years later.

Since that time, the City has received a single grant for water and wastewater capital improvements from the Federal Emergency Management Agency (FEMA) for \$743,250.00 exclusive of match monies and administrative fees. Of that, \$357,000 is allocated for water capital improvements and \$386,250 is allocated for sewer capital improvements.

<b>FEMA GRANT TOTAL</b>	<b>Water Capital Improvements to offset workforce housing CIP fees</b>	<b>Wastewater Capital Improvements to offset workforce housing CIP fees</b>
\$743,250.00	\$357,000	\$386,250

In short, the City's Workforce Housing Fees based on city grants received are currently available for water and wastewater capital improvements as follows:

- \$357,000 worth of reduced water capital improvements at \$0 hookups for workforce housing (regularly \$9,063 for a single-family unit). After that, the water CIP fee would return to \$9,063 per connection until the city procures additional grant funding for water capital improvements.
- \$396,250 to offset wastewater capital improvements allowing a reduction to \$7,181 for workforce housing multi-family units (condominiums) and \$9,574 for single-family (attached or detached) units.

**Under this scenario, Eureka Oaks/Habitat for Humanity Calaveras could receive 39 single-family water connections at \$0 based on grant funding to the City at no cost to Habitat for Humanity.** This would exhaust available funds for water connections for workforce housing at \$0 connection fees based on that portion of the FEMA Grant received allocated to water capital improvements. After this, water CIP fees would be \$9,063 per connection.

Under this scenario, city grant funds allow for all 99 allocated workforce housing units in the city to pay \$8,975 per single-family wastewater connections and \$7,181 per multi-family connection for wastewater.

Under Resolution 25-99, Habitat for Humanity could use its full reimbursement for off-site water capital improvements to pay for **either** wastewater connection/CIP fees (at workforce housing costs) or water connections (at full cost for water and slightly reduced cost for wastewater).

Under the preceding; should additional grant funds for water and/or wastewater capital improvements be secured over the next few years; Habitat will have the option to use reimbursement credits to pay for water (or wastewater) connection fees, as needed.

**RESOLUTION 25-100:**

To further assist in the production of workforce housing, staff recommend that the City Council direct staff to:

Pursue amending the city fee schedule to allow offsetting workforce housing fees for wastewater connections at a higher rate than currently allowed with grant funds for wastewater capital improvements subject to legal noticing, establishing a nexus and a public hearing

As previously noted; when the City Council made the decisions in 2019 to allow for city grants for **water** capital improvements to fully offset the cost of up to 99 water connections based on the City's anticipated \$3,000,000 grant for water treatment/plant/distribution facilities upgrades and improvements listed in the water capital improvement plan. However, the state economy resulted in the governor removing the city's \$3,000,000 pending allocation a few years later.

If authorized, the \$386,250 in FEMA grant funds for improvements under the **wastewater** capital improvement plan grant funds secured by the city could offset the cost of 43 single-family housing unit wastewater connections at no cost for workforce housing.

**FISCAL IMPACT:**

Because the reimbursement to Habitat for Humanity will be in the form of impact mitigation fee credits to be reapplied to other applicable impact mitigation fee funds, no net fiscal impact will occur.

**ENVIRONMENTAL FINDING:**

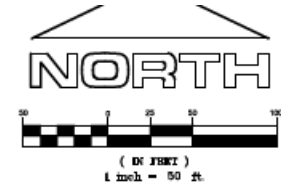
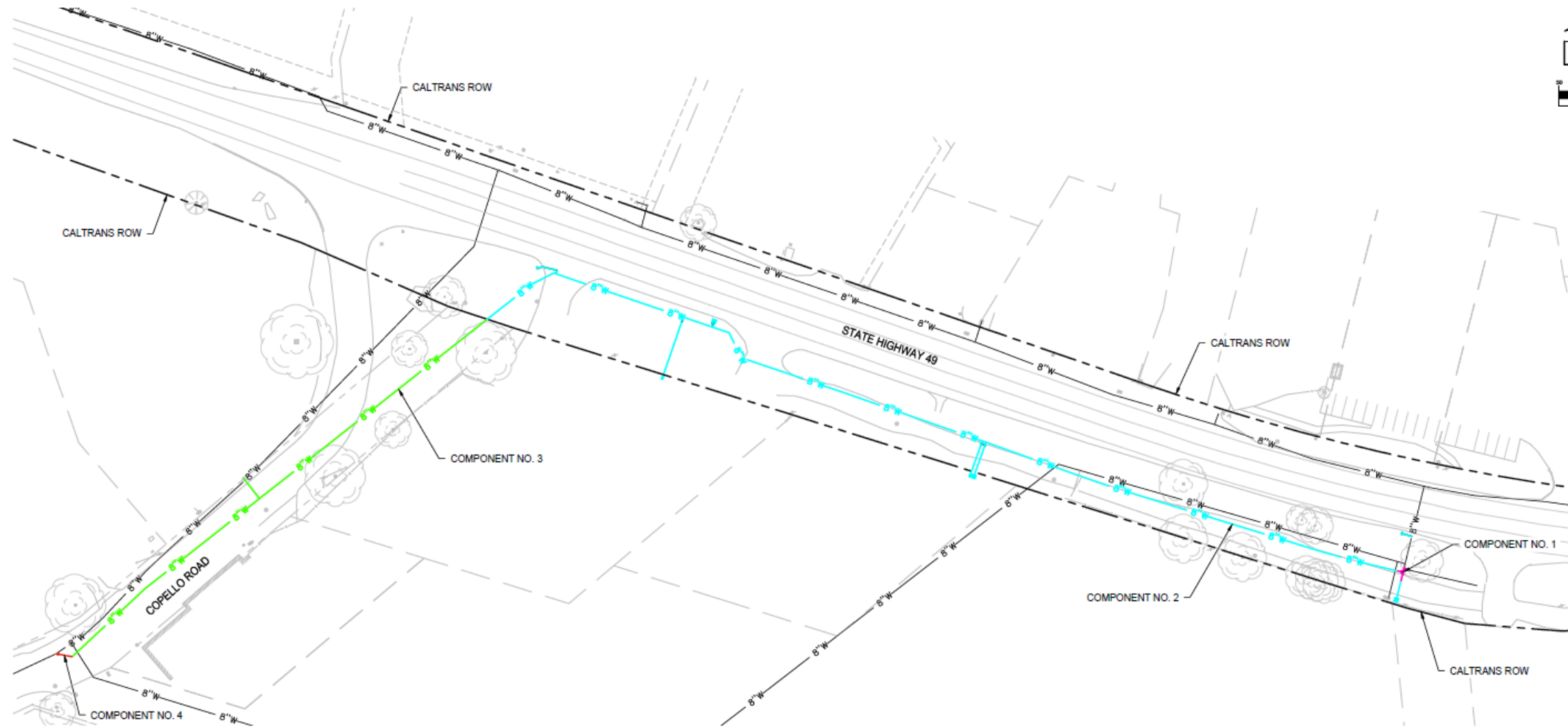
An expanded initial study/ mitigated negative declaration with mitigation monitoring and reporting plan was certified for the Project by the City Council on October 25, 2017, pursuant to Resolution 2017-14. No further environmental review is required.

**ATTACHMENTS:**

- A. Engineers Estimate and Nexus
- B. Resolution 25-91A (\$305,000)
- C. Resolution 25-91B (\$545,000)
- D. Resolution 25-99
- E. Reimbursement Agreement
- F. Resolution 25-100

# **Attachment A**

## **Engineers Estimate and Nexus**



**LEGEND**

- COMPONENT NO. 1: CONNECTION TO WATERLINE CROSSING AT SR-49
- COMPONENT NO. 2: WATERLINE IN CALTRANS RIGHT-OF-WAY
- COMPONENT NO. 3: WATERLINE IN COPELLO ROAD
- COMPONENT NO. 4: CONNECTION TO WATERLINE NEAR CHURCH/BASEBALL FIELD

COMPONENT		DESCRIPTION
NO. 1	8" CONNECTION TO 8" WATERLINE CROSSING AT SR-49	1. CONNECTION TO EXISTING 8" WATERLINE.
NO. 2	8" WATERLINE IN CALTRANS RIGHT-OF-WAY	1. INSTALL FIRE HYDRANT (3). 2. INSTALL WATER SERVICE STUB OUT (2). 3. INSTALL AIR RELEASE VALVE (2).
NO. 3	8" WATERLINE IN COPELLO ROAD	1. FIRE HYDRANT RECONNECTION (1).
NO. 4	8" CONNECTION TO 8" WATERLINE NEAR CHURCH/BASEBALL FIELD	1. CONNECTION TO EXISTING 8" WATERLINE.



CITY OF ANGELS  
**OFFSITE WATER SYSTEM IMPROVEMENTS  
HABITAT FOR HUMANITY CALAVERAS  
SUGGESTED ALLOCATIONS OF COSTS**

08/19/2025

# A. Engineer's Estimate and Nexus



Dewberry Engineers Inc. | 209.707.3330  
903 West Center Street, Suite 1 | www.dewberry.com  
Manteca, CA 95337-7315

## MEMORANDUM

**DATE:** August 19, 2024  
**TO:** Amy Augustine, Contract City Planner  
**FROM:** Dave Richard, PE, Water/Wastewater Engineer  
**SUBJECT:** Reimbursement for Construction of Offsite Water System Improvements by Habitat for Humanity

Offsite water system improvements, including the extension of water distribution pipelines and inter-connections to the existing supply network, are required to support the Eureka Oaks subdivision. While these improvements will benefit Habitat for Humanity (Habitat), the City of Angels (COA) may also benefit from the infrastructure construction in facilitating future capital improvement projects while improving service and reliability. Should the COA benefit from the offsite improvements, reimbursement of Habitat in proportion to the benefit would then be appropriate. Benefits to the COA could include the following:

1. Pipeline/valving connections to streamline future connections to water supply pipelines. As an example, construction of Foundry Lane extension will include a new water supply pipeline to serve the SR-49 area. A connection to the proposed offsite water system improvements would create an area-wide benefit.
2. Installation of fire hydrants along the offsite pipeline route to improve firefighting capabilities for residences and businesses. Service connections from the proposed pipeline would also allow for future connections from existing and future property owners.
3. Pipeline/valving connections to the existing distribution network to provide a secondary source of water during an emergency.

An analysis of potential benefits to the COA and subsequent cost sharing is presented below. The methodology used is described as follows.

1. Offsite water system improvements were divided into four components: a) 8-inch connection at 8-inch crossing of SR-49; b) 8-inch waterline within Caltrans right of way; c) 8-inch waterline in Copello; and d) 8-inch connection to existing 8-inch pipeline near church and baseball field in Copello.
2. Probable construction costs for each component were estimated considering unit prices for water system improvements from the Mark Twain Water Distribution System Improvements Project.
3. Potential benefits to the COA from construction of each component were identified.
4. Costs for each component were allocated between the COA and Habitat considering the specific benefit to the COA and the associated cost to achieve the benefit.

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The results of the analysis are summarized in the table below.

**PROBABLE CONSTRUCTION COSTS FOR  
EUREKA OAKS OFFSITE WATER SYSTEM IMPROVEMENTS  
SUGGESTED ALLOCATION OF COSTS  
HABITAT FOR HUMANITY AND CITY OF ANGELS  
August 2025**

Component	Probable Construction Cost, \$	Suggested Cost Allocation				Benefit to COA
		Habitat		COA		
		Cost, \$	%	Cost, \$	%	
8-inch connection to 8-inch waterline crossing at SR-49	45,000	15,000	30	30,000	70	Future connection to water supply pipeline
8-inch waterline in CALTRANS right-of-way	280,000	125,000	45	155,000	55	Improved fire protection
8-inch waterline in Copello	180,000	90,000	50	90,000	50	Increased water supply deliveries
8-inch connection to 8-inch waterline near church/baseball field	40,000	10,000	20	30,000	80	Secondary supply source
TOTALS	545,000	240,000	45	305,000	55	

As shown in the referenced table, benefits to the COA include the following:

1. A valved piping configuration at the proposed 8-inch connection to the 8-inch waterline crossing at SR-49 can be used by the future supply line to be built as part of the Foundry Lane extension.
2. Fire hydrants and water services installed along the 8-inch waterline within the Caltrans right of way will improve fire protection for the area and allow for future connection of existing businesses and residences.
3. The 8-inch pipeline extension along Copello will further strengthen the existing water distribution network and allow for greater supply deliveries.
4. A valved piping configuration at the proposed connection to the existing 8-inch waterline near the existing terminus of Copello would provide a secondary source of water to apartments in the area.

Using the estimate of probable construction costs for the various components of the offsite improvements, approximately 55% of the overall infrastructure costs would create benefits to the COA. Based on this evaluation, reimbursement to Habitat of 55% of the offsite water system improvement costs by the COA is recommended.