



City of Homer

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Memorandum PL 20-04

TO: MAYOR CASTNER AND HOMER CITY COUNCIL

FROM: PLANNING COMMISSION

THRU: RENEE KRAUSE, MMC, DEPUTY CITY CLERK

DATE: FEBRUARY 27, 2020

SUBJECT: RECOMMENDATIONS ON HAWSP SPECIAL ASSESSMENT DISTRICT EVALUATION CRITERIA

The Planning Commission discussed and reviewed the HAWSP Policy Manual, pertinent information from Title 17.02 related to Special Assessment Districts, Resolution 20-012(A), Ordinance 99-14(S)(A), Water/Sewer Systems from the Comprehensive Plan (pages 6-4 through 6-7) at their regular meeting on February 19, 2020 under New Business. After a lengthy discussion the Commission recommended the following:

- System wide projects should be evaluated and prioritized using the Comprehensive Plan Land Use Recommendations (Pages A-2 thru A-10)
- Increasing the application fee to appropriately cover the costs and Staff time involved in the process
- Refer funding considerations to the Finance Department
- Create and Use a Decision Tree for Approval of Small and Large Projects to be Funded by HAWSP including questions such as the following:
 - o Does it solve an untenable issue?
 - o Will it increase maintenance costs?
 - o Will it lead to declining rates by providing necessary improvement to the system?
 - o Is it a choice between water or sewer?
 - o Is there as health and safety issue?
 - o Is there funding available?

Following is the minutes excerpt of the Planning Commission February 19, 2020 regular meeting.

Excerpt from the February 19, 2020 Meeting Minutes
NEW BUSINESS

A. Staff Report 20-17, SAD Priorities for the HAWSP

Vice Chair Smith introduced the item by reading of the title into the record.

City Planner Abboud reviewed Staff Report 20-17 and pointed out the following:

- Funding for HAWSP is 3/4 of one percent original ballot language was provided and any projects related to water and sewer are eligible not just special assessment districts
- The manual listed 10 project criteria that apply to all HAWSP funded projects
- Briefly outlined Title 17 requirements for formation of a Special Assessment District
- The Commission previously recommended using the Land Use Map to prioritize the projects.
- It would be helpful to have the answers to the previously submitted questions before the Commission can provide criteria for evaluating special assessment district applications
- Difficulties are presented when trying to separate funding special assessment districts from other projects such as water plant debt, system maintenance, and knowing what the current balance of the fund is; any future obligations; and what the projected revenue would be.

Discussion between the Commission and staff ensued with comments, questions and statements on the following:

- Current number of waiting applications and inquiries
- Water only projects without sewer, and the health and safety issues that may result
- The cost to bring water to specific areas of the city
- How will they maintain the funding if all projects are approved.
- What the fund balance actually was or is and how that will be maintained

Commissioner Bentz commented that the challenge is understanding the feasibility of projects and once that feasibility is determined the Council as the decision making body should prioritize which projects get funded. She continued by stating that the criteria is the method to determine if a project is feasible and could be funded. Such things as does the project close a loop, similar to a conditional use permit, should be considered. Then if it is considered feasible in the next phase Council should have a decision tree to determine which projects get funded so if they are presented with 10 projects they can use the decision tree to make that decision.

Commissioner Bentz further noted that the Municipality of Anchorage is incorporating decision trees into their policy documents and it is really great tool. She posed the question, "Do they start out with this higher level concept? It is great for prioritization, considering such points as is it a critical need, does it get ranked higher or when they get into the prioritizing by different zoning districts. She believed that the Commission can assist in providing feedback on specific points in the decision making process but it is not making recommendations to whether to fund a \$10 million dollar project or a \$1 million dollar project. That is a decision for Council. If the Commission recommends points in their decision making for prioritization that were relevant for planning that is where the Commission could provide more specific recommendations as far as how the decision tree would look.

Vice Chair Smith commented that these projects are budget driven and the Commission does not understand the budget as the Council is presumed to understand; and questioned whether the first come first serve concept is the best approach since that does not necessarily take into account the larger community. If the decision tree concept includes evaluation of project funding based upon the greatest need, does a particular SAD facilitate maximum spread of resources. He recommended creating two decision trees based on the funding request, one where smaller projects can be based on first come first serve and then larger projects have a different process.

Commissioner Bentz suggested using a decision process like the Capital Improvement Plan for projects noting the small and large projects that are included in that process and that could be reviewed annually by Council.

Deputy City Clerk Krause provided a summary of the current process that is outlined in Title 17 for the Commission and that receipt of applications are variable throughout the year in response to questions.

Commissioner Bentz suggested an annual approval period with applications accepted at any time of the year and building out the application process so that criteria met in the first phase before presented to Council and they are making decisions on a feasible project that is supported by the neighborhood. Council could approve the projects in March.

Deputy City Clerk Krause stated that letters were sent to the two applicants that were interested in forming a SAD, when the moratorium was implemented, that they could reapply, in response to question from City Planner Abboud.

Further discussion, comments and questions on the following ensued:

- System wide projects should be evaluated and prioritized using the Comprehensive Plan Future Land Use Map
- Increasing the application fee to appropriately cover the costs and Staff time involved in the process
- Refer funding considerations to the Finance Department
- Include questions from the third paragraph on page 3 of Staff Report 20-17(page 57 of the packet)

Commissioner Bentz noted in reference to that paragraph when recommending the use of a decision tree these criteria could be used by Council such as:

- Is this a health and safety issue
- Will it increase maintenance costs
- Is there XX amount of funding available

City Planner Abboud reiterated using the Land Use map and avoiding future rural residential districts.