



Agenda Date: 5/15/2019

Agenda Placement: 7D

Napa Sanitation District Board Agenda Letter

TO: Honorable Board of Directors

FROM: Timothy Healy - General Manager
NS-Technical Services/Engineer

REPORT BY: Karl Ono, Associate Engineer - (707) 258-6013

SUBJECT: Concur with CEQA determination, Set Bond Amount, and Authorize Execution of Agreements for Redwood Grove

RECOMMENDATION

Concur with CEQA determination in City of Napa Resolution R2017-139, prepared and adopted by the City of Napa, Lead Agency under CEQA for the development project; set bond amount at \$292,740; and authorize Chair to sign the Improvement Agreement and Agreement for Capacity Fee Deferral for Redwood Grove (previously known as Redwood Duets).

EXECUTIVE SUMMARY

This development by, Burbank Housing Development Corporation (developer), is for a 34-lot townhome project located at 2033 Redwood Road (APN 042-050-005) in Napa. In order to provide sanitary sewer service to this project, the developer will install approximately 600 linear feet of 8-inch diameter public sewer main. Each parcel will have a separate 4-inch lateral connected to the public main. NapaSan requires the developer to enter into an Improvement Agreement for the installation of public sewer facilities.

The developer has requested to defer the payment of capacity charges in the amount of \$314,160. NapaSan policy allows residential development projects to defer payment of capacity charges if certain conditions are met by the developers. One of the conditions is that the developer designates at least ten percent (10%) of the units to be constructed as affordable housing units. Burbank will build all thirty-four (34) as affordable units, which meets this 10% requirement. The policy also requires that the developer enters into an agreement with NapaSan, which will be recorded with the Napa County Records Office. The Agreement for Capacity Fee Deferral is attached.

Improvement plans for the required sanitary sewer facilities have been prepared in conformance with NapaSan standards. A copy of the plans are available for review at NapaSan's office.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	NapaSan will receive capacity charges for thirty-four residential units as required by NapaSan Code (collection of capacity charges could be delayed up to 18 months). The capacity charge revenue has been budgeted in NapaSan's Expansion Fund.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	Project has been designed in conformance with NapaSan's standards. Conditions of approval established by NapaSan for the development have been satisfied. The project meets NapaSan's capacity charge deferral guidelines.
Is the general fund affected?	Yes
Future fiscal impact:	The collection of capacity charges could be delayed up to 18 months. NapaSan will receive annual sewer service charges from the development. After construction of the public improvements, NapaSan will assume ownership of the public sanitary sewer facilities and will be responsible for maintenance and operation.
Consequences if not approved:	If the Improvement Agreement is not approved, sewer service will not be provided to the development. If the Agreement for Capacity Fee Deferral is not approved, the development would be required to pay capacity charges prior to starting construction of the buildings.
Additional Information:	None.

ENVIRONMENTAL IMPACT

The City of Napa, lead agency under CEQA, determined that the project is categorically exempt pursuant to CEQA Guidelines Section 15332 on October 3, 2017 by City of Napa Resolution R2017-139 for Redwood Grove (previously known as Redwood Duets).

BACKGROUND AND DISCUSSION

None.

SUPPORTING DOCUMENTS

- A . Improvement Agreement
- B . Capacity Charge Deferral Agreement
- C . City CEQA Resolution

D . Area Map

Napa Sanitation District: Approve

Reviewed By: Timothy Healy