



DATE: May 16, 2023

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT Adopt a Resolution Approving Policies and Procedures for Granting Priority Water and Sewer Service to Housing Development Projects that Include Units Affordable to Lower-Income Households

RECOMMENDATION

That Council adopts a resolution (Attachment II) approving policies and procedures for granting priority water and sewer service to housing development projects that include units affordable to lower-income households.

SUMMARY

State law requires public and private entities that provide water and sewer service to adopt written policies and procedures to ensure that priority for these services are granted to housing development projects that include units affordable to lower-income households. Although the City has not denied service to such housing developments, staff recommends that policies and procedures be approved in order to document Hayward's commitment to affordable housing and to comply with State requirements. The attached resolution and proposed policies and procedures have been drafted in accordance with Government Code Section 65589.7.

BACKGROUND

California Government Code Section 65589.7 requires water and sewer providers to grant priority for service provision to proposed developments that include housing units affordable to lower-income households, and to adopt written policies and procedures to establish such priority. Hayward has not denied water or sewer service to any housing development with affordable units. Adoption of the policies and procedures will document Hayward's compliance with State law and is required for State approval of the City's Housing Element.

DISCUSSION

The proposed policies and procedures, attached as Exhibit A to the draft Resolution, have been drafted in accordance with Government Code 65589.7. These regulations specify that priority for water and sewer service must be granted to housing projects that include units affordable to lower income households, as defined in the California Health and Safety Code, unless certain conditions exist. Conditions that may cause denial of service include:

- Insufficient water supply to meet the projected demand of the housing project
- A water supply emergency as declared by the City Council
- Insufficient water distribution and/or sewer capacity as verified by an engineering report
- Prohibitions on new water or sewer conditions issued by State regulatory bodies
- Lack of agreement from developer to comply with reasonable terms and conditions that are generally applicable to development projects, including payment of standard fees or charges

Although the City has never denied water or sewer service to housing projects with affordable units, the proposed policies and procedures will serve to document the City's continued commitment to affordable housing and compliance with State law, and will guide development review staff in the unlikely event that the City needs to prioritize services.

ECONOMIC IMPACT

Implementation of the policies and procedures will occur as part of the normal project review process and will not impact Water or Sewer rates.

FISCAL IMPACT

Implementation of the policies and procedures will not have a fiscal impact on the Water or Wastewater Operating Funds or the City's General Fund.

STRATEGIC ROADMAP

This agenda item relates to Council's Strategic Priority to "Preserve, Protect and Produce Housing for All." The proposed policies and procedures will ensure that water and sewer service is available on a priority basis to housing developments that include units for lower-income households.

SUSTAINABILITY FEATURES

This item does not include any sustainability features.

PUBLIC CONTACT

This item does not require public contact.

NEXT STEPS

If Council approves this item, the Director of Public Works will coordinate with the Director of Development Services to implement the policies and procedures.

Prepared by: Cheryl Muñoz, Water Resources Manager

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager