

Gainesville.
Citizen centered
People empowered

Staff Analysis

ConnectFree Update

180175

Presented by:

Fredrick J. Murry
Assistant City Manager

August 23, 2018

CITY OF GAINESVILLE STAFF ANALYSIS

Legistar No: 180175
Title: ConnectFree Update
Sponsor: Office of the City Manager
City Staff Contact: Fredrick J. Murry, Assistant City Manager

Summary of Issue

On July 21, 2016, the City Commission reestablished the ConnectFree Program (Legislative File No. 160146). The ConnectFree Program (Program) uses revenue collected through a surcharge on connection charges in the unincorporated area to subsidize water and wastewater extensions and connections to eligible residential structures, and to structures that serve persons with Special Needs (as defined in the referenced resolution). When the City Commission reestablished the Program, they requested staff provide an assessment of the administration of the Program in approximately eighteen (18) months.

This item primarily is to provide that assessment, although staff requests that the General Policy Committee also consider minor revisions to clarify project eligibility criteria for the ConnectFree Program.

History/Background Information

On May 7, 2015, the City Commission voted to reinstate the ConnectFree Program (Legislative File No. 140680) and reinstated the surcharges starting in FY 2016 with the adoption of Ordinance No. 150246 on September 17, 2015.

On July 21, 2016, the City Commission reestablished the ConnectFree Program (Legislative File No. 160146). The Community Development Committee and the City Commission decided on the criteria to identify and prioritize projects eligible to receive ConnectFree Program assistance. The ConnectFree Program policy established in this resolution is as follows: 1) grants shall assist with the payment of costs associated with the extension, construction, and connection to the City's water, wastewater, and reclaimed water systems throughout the entire Gainesville Regional Utilities (GRU) service area; 2) households with incomes at or below the 80% median income level for Gainesville, as established by the U.S. Department of Housing and Urban Development, are eligible to receive additional funding to assist with any necessary on-site plumbing modifications; 3) priority is given to low-income households and areas, as well as projects that promote the elimination or reduction of threats to public health, safety and environmental welfare; 4) a maximum funding limit is provided per customer and per neighborhood, with the limit to be evaluated annually; 5) the City Commission shall approve any projects receiving \$50,000 or greater; 6) criteria for the use of program funds by non-profits/governments that serve special needs populations; and 7) staff reporting back in eighteen (18) months to provide an assessment of the administration of the ConnectFree Program.

As noted, the subsidies are available throughout the GRU Service Area, including portions of the unincorporated area. Currently, line extension costs are capped at \$25,000 for wastewater and \$10,000 for water.

Since the ConnectFree Program's reinstatement, the City has received 50 applications, indicating significant interest in the program. Of the applications received, 15 have been withdrawn for various reasons (mostly due to the infeasibility of connecting); 14 structures have been connected and 21 applications are currently being processed. One of the structures connected is the Arbours at Tumblin Creek, which contains 64 affordable apartments for low income seniors or veterans; and the remaining 13 connected structures are detached single-family residences, for a total of 77 units connected.

Since the reinstatement of the Program in 2016, the total revenue collected is \$903,874 (FY16-FY18). Of that amount, \$302,695 was budgeted in FY16 to the ConnectFree Program (including a \$46,000 rollover for the Arbours at Tumblin Creek affordable rental housing project). A total of \$601,179 in revenue is available to allocate to assist with additional connections.

Options

Currently, the ConnectFree resolution identifies four budget categories for expenditures; 1) Single Units/Neighborhood Extensions; 2) Affordable Housing; 3) Public Health, Safety, Environmental; and 4) Program Delivery. Based on the types of projects funded through the Program, the greatest need for assistance was requested from the "Public Health, Safety, Environmental" category. As such, to provide flexibility to the Program funding criteria and better assist applicants, staff recommends combining the "Single Units/Neighborhood Extensions" and the "Public Health, Safety, Environmental" categories. This combined category will allow the flexibility and funding needed to address various types of projects without the need to reallocate funding between categories.

Additionally, staff requests that the General Policy Committee request that the City Commission clarify that, the "Affordable Housing" funding category is intended only for affordable housing developers of residential structures that meet the U.S. Department of Housing and Urban Development (HUD) definition of affordable for low-income households.

Staff Recommended Option

The General Policy Committee: 1) hear a presentation from staff; 2) consider minor revisions to clarify project eligibility criteria for the ConnectFree Program; and 3) refer those revisions to the City Commission.

Attachments

1. Agenda Action 160146
2. Agenda Action 140680
3. Agenda Action 150246
4. ConnectFree Program Activity Summary
5. PowerPoint Presentation