



#140680

Connect Free Program

(PROPOSED)



City Commission Referral

- May 7, 2015 CityCom Meeting (Leg Item #140680)
- Develop a General Government-managed water/wastewater connection program
- Re-establish funding by re-instituting 25% surcharge on new W/WW connections in unincorporated area (effective Oct 1, 2015)
 - Entire surcharge revenue to go to ConnectFree
 - Twice the historical level (previously ½ of surcharge revenue)
 - Estimated revenue \$250,000/year

City Commission Referral

- Open up eligibility to GRU service territory
- Refer issue to Community Development Committee for further discussion & recommendations

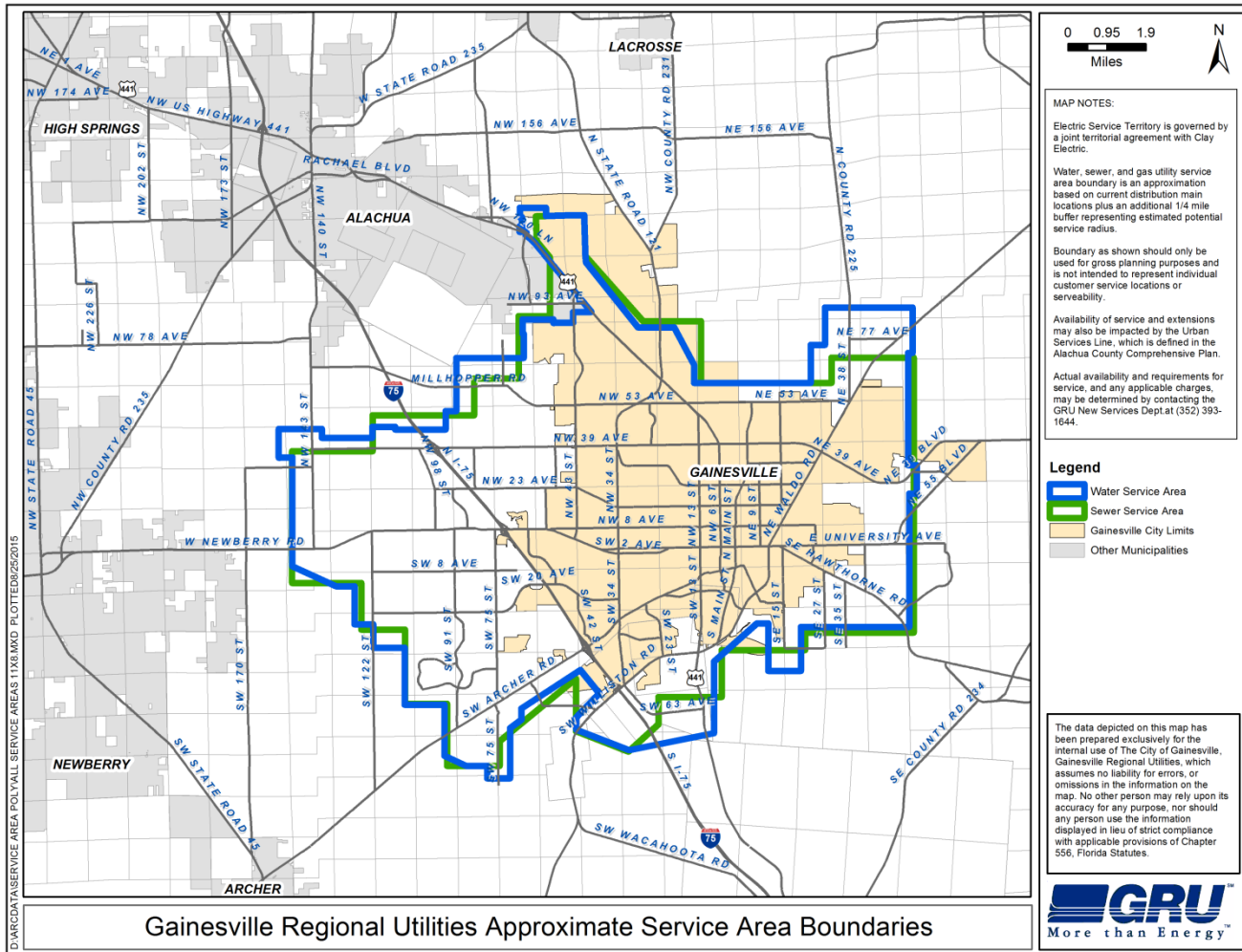
BRFA Committee

- Base Rate & Fuel Adjustment Committee Report (March 5, 2015) recommendations:
 - Create dedicated funding source
 - Put program under general gov't control
 - Focus on low income residents, feasible locations, dense population, & possibly non-profits that offer significant public benefit
 - Develop criteria for non-profits
 - Discuss per customer cap & annual evaluation of cap

Program Focus

- **Water/Wastewater Extensions**
 - **Reclaimed Water (lower priority)**
- **Feasible locations in densely populated low-income areas**
- **Priority given to units with health, safety, and/or environmental issues**
- **Based on Cost Effectiveness/Efficiency**

GRU Current Service Area



Eligible Properties (Existing Buildings)

- **Residential (Existing):**

- Owner-Occupied Units
- Rental Units

- **Non-Residential (Existing):**

- Non-Profit Organizations or Government Entities

- Used primarily for charitable services to benefit special needs populations in the community:

- Special Needs Populations include, but are not limited to: the elderly; physically disabled persons; homeless persons; veterans; persons with HIV/AIDS; at-risk youth; survivors of domestic violence; mentally disabled persons; and/or individuals with a history of chemical dependency.

Eligible Properties (Affordable Housing)

- **State Tax Credit Program**
 - **Local Government Contribution:**
 - **Single-Family Homes (New/Redeveloped)**
 - **Multi-Family Units (New/Redeveloped)**

Items Associated w/Connections

- **Water & Wastewater Extensions**
- **Connection Fees**
- **On-Site Plumbing Modifications**

Water & Wastewater Extensions

- **Extend lines to owner's property boundary**
- **Costs vary, determined by engineering analysis**
- **Maximum proposed spending caps:**
 - Water Extensions \$10,000
 - Wastewater Extensions \$25,000
- **Some restrictions apply:**
 - Property owners required to pay extension costs exceeding the maximum funding cap
 - Exceptions on case-by-case basis, subject to City Manager or designee approval

Connection Fees (FY 2016)

- **Water Connections:** **\$1,756**
 - **Wastewater Connections:** **\$3,935**
-
- **Connect Free Program will pay connection fees**
 - **Connect Free Program will pay 25% surcharge fee, if applicable**
 - **Fees adjusted annually with CCOM approval**

On-Site Plumbing

- Installation of plumbing to connect services to central water/wastewater systems.
 - Well Abandonment or Backflow Preventer
 - Septic Tank Abandonment
- Typically \$400-\$700 water; \$1,200-\$1,500 WW
 - *Property owners required to pay for on-site plumbing modifications.*
 - *Exception: program will pay the on-site plumbing costs for income eligible households up to (TBD)% Median Family Income.*

Income Chart

**U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
(HUD) INCOME LIMITS FOR GAINESVILLE MSA**

**NEW FOR 2015
CITY OF GAINESVILLE**

FAMILY SIZE (Persons)	EXTREMELY LOW (30% MFI)	VERY LOW INCOME (50% MFI*)	LOW INCOME (80 % MFI*)	MODERATE INCOME (120% MFI*)	MODERATE INCOME (140% MFI*)
1	\$13,450	\$22,350	\$35,750	\$53,640	\$62,580
2	\$15,930	\$25,550	\$40,850	\$61,320	\$71,540
3	\$20,090	\$28,750	\$45,950	\$69,000	\$80,500
4	\$24,250	\$31,900	\$51,050	\$76,560	\$89,320
5	\$28,410	\$34,500	\$55,150	\$82,800	\$96,600
6	\$32,570	\$37,050	\$59,250	\$88,920	\$103,740
7	\$36,730	\$39,600	\$63,350	\$95,040	\$110,880
8	\$40,890	\$42,150	\$67,400	\$101,160	\$118,020

*Fiscal Year 2015 Median Family Income (MFI)=\$63,800 CDBG/HOME
Effective 3/6/2015

Terms/Recapture

◦Option 1: Grant

- Assistance provided in the form of a grant and not subject to recapture.

◦Option 2: Deferred Payment Loan

- Assistance provided in the form of a deferred loan and subject to recapture.

Funding Priorities

	Tier 1	Tier 2	Tier 3
Low Income Area or Low Income Household; and Public Health/Safety	X		
Low Income Area		X	
Low Income Household		X	
Non-Profit Org/Gov. Entity		X	
Public Health/Safety		X	
Non-Low Income Outside Low Income Area			X

Public Health Safety

- **Wells**
 - Not meeting primary drinking water standards

- **Septic Tanks**
 - Threat to human health
 - Impact to waterway

- **Partner with Health Dept. to assist with assessment**

Application Process

- **Open Enrollment**
- **First Ready/First Served**
 - Tiers 1 and 2
 - Tier 3 (Waiting List)
- **Mid-Year Assessment (April)**
 - Evaluate program to determine whether to offer services to Tier 3
 - Provide status reports to CCOM, as needed
 - Notify CCOM of projects over \$100k

Maximum Funding Awards

Item	Low Income	Non Low Income	Non Profit	Rental
Water Ext.	\$10,000	\$10,000	\$10,000	\$10,000
Connect Fee	\$ 1,756	\$ 1,756	\$ 1,756	\$ 1,756
On-Site Plumbing	\$ 500*	Not Eligible	Not Eligible	Not Eligible
Subtotal	\$12,256*	\$11,756	\$11,756	\$11,756
Wastewater Ext.	\$25,000	\$25,000	\$25,000	\$25,000
Connect Fee	\$ 3,935	\$ 3,935	\$ 3,935	\$ 3,935
On-Site Plumbing	\$ 1,200*	Not Eligible	Not Eligible	Not Eligible
Subtotal	\$30,135*	\$28,935	\$28,935	\$28,935
Total	\$42,391*	\$40,691	\$40,691	\$40,691

Single Unit vs. Neighborhood Extensions

Single Unit

- Individual owner that is near existing water or sewer line
- Extension cost subject to caps

Neighborhood

- Requires longer extension
- Extension cost subject to “cumulative” cap
- Typically not everyone will agree to connect

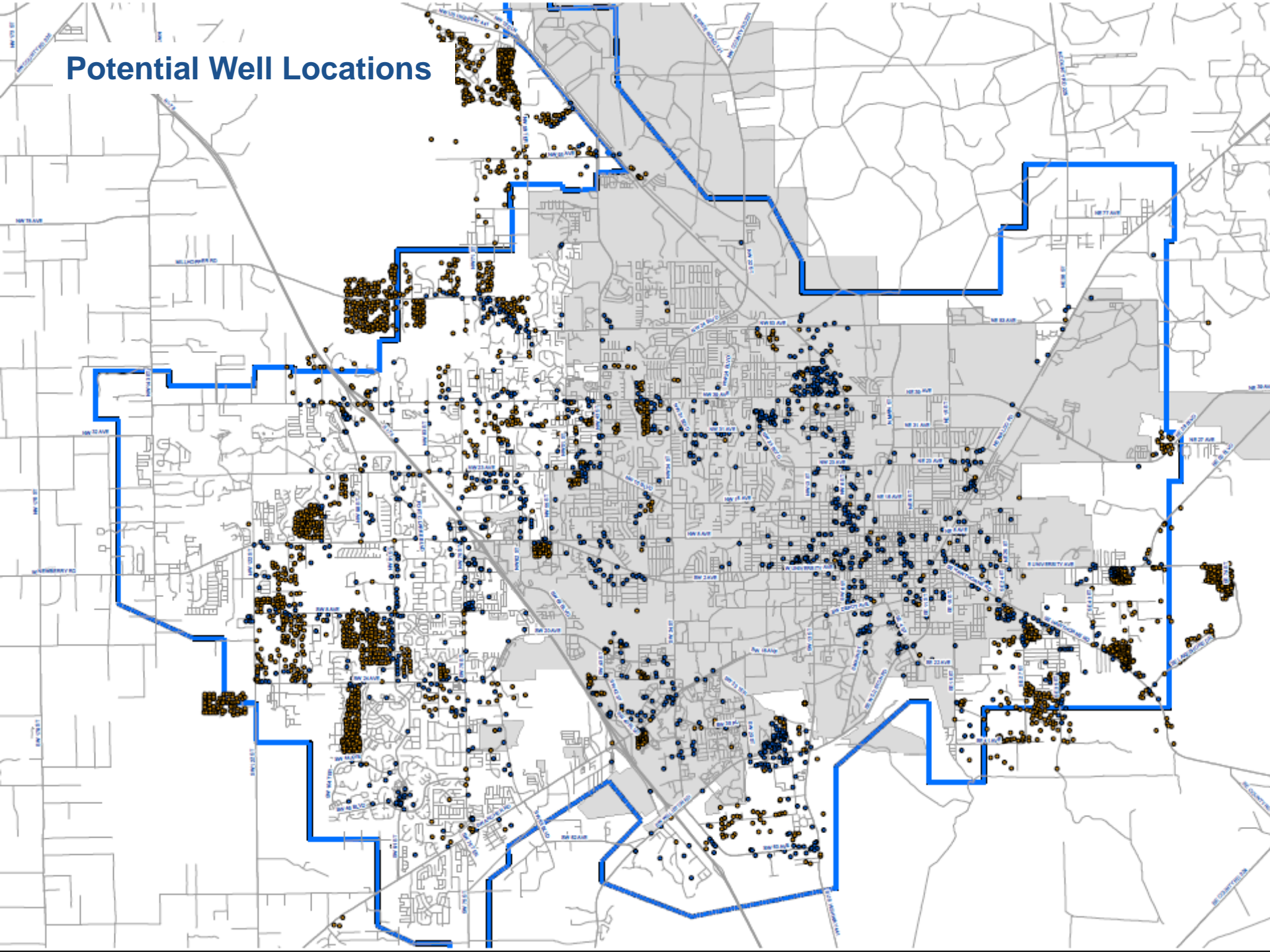
Neighborhood Extensions

- Extensions to serve more than 1 property must meet **ONE** of these criteria:
 1. The cost per participating home is within the per lot cap (\$10,000 Water; \$25,000 Wastewater)

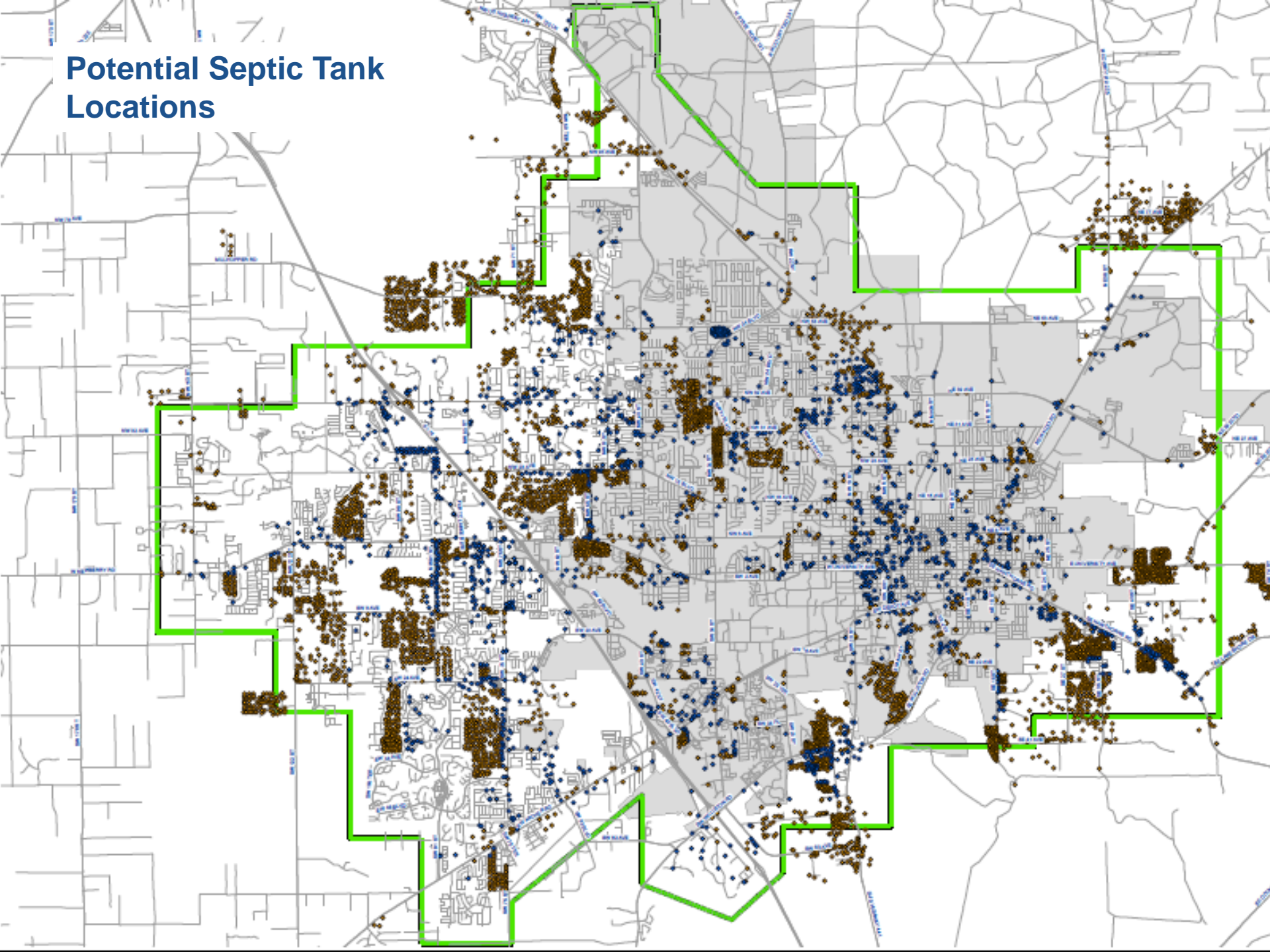
OR

2. The cost per potentially served home is within the per lot cap **AND** 60% of the potentially served lots are participating

Potential Well Locations



Potential Septic Tank Locations



Annual Program Budget (Estimated-\$250,000)

- Public Health/Safety/Environmental (10%) (min. \$25,000)
- Single Units/Neighborhood Extensions (60%) (\$150,000)
 - Owner Occupied, Rental & Non-Profits
 - Individual properties requesting extensions
- Affordable Housing Set-Aside (15%) (\$37,500)
- Program Delivery (15%) (min. \$37,500)
 - Administration, Marketing/Advertising, Reporting, etc.

**City Manager or designee may reallocate funds based on program needs.*

Summary

- Water/Wastewater Extensions
 - Reclaimed Water - lower priority
- Priority given to densely populated low-income areas & to health, safety and/or environmental issues
- Caps on extension costs (\$10k water; \$25k sewer)
- Eligible to property owners within GRU Service Area
- Open Enrollment
 - Tiers 1 and 2 - First Ready/First Served
 - Tier 3 - Waiting List/Mid Year Evaluation
- CCOM notification for projects over \$100K
- City Mgr or designee reallocate funds based on needs
- Program review/evaluation to CCOM within 18 months

Recommendation

- The CDC review the Water/Wastewater Proposed ConnectFree Program and take appropriate action concerning the development of the program.