



Connect Free Program (PROPOSED)





Program History

- 2003 - Original ConnectFree Resolution
 - Extend water, wastewater & reclaimed water to residences inside City
 - Funded via ½ of proceeds from 25% surcharge on water and wastewater connection charges outside City

- July 2014 – City Commission decision
 - Suspend program for 1 year
 - Disperse remaining unencumbered funds
 - Refer to Base Rates Fuel Adjustment Committee (BRFA)



BRFA Committee

- Base Rate & Fuel Adjustment Committee Report (March 5, 2015) recommendations:
 - Create dedicated funding source
 - Put program under general government 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



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



City Commission

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



- December 2, 2015 - CDC recommendation:
 - Available throughout GRU service area;
 - Funding as grant, no payback;
 - Funding priority given to public, health and safety; low income households; and low income areas;
 - On-site plumbing modifications for low income households at or below the 80% median income level for Gainesville, with staff given the flexibility to make decisions regarding income-level eligibility;



Community Development Committee

- Maximum funding cap per customer, evaluated annually;
- Notify City Commission of projects \$50K or more;
- Assistance to non-profits and government entities serving special needs populations;
- Minimum 60% participation for neighborhood extensions;
- Staff reporting back in eighteen (18) months with program results.



Program Purpose

- **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**



Eligible Activities

- **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 City Commission 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 Wastewater
 - *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 (80)% Median Family Income.*

Income Eligible Households

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) 2015 INCOME LIMITS FOR GAINESVILLE AREA

FAMILY SIZE (Persons)	EXTREMELY LOW 30% Median Family Income	VERY LOW INCOME 50% Median Family Income	LOW INCOME 80% Median Family Income
1	\$13,450	\$22,350	\$35,750
2	\$15,930	\$25,550	\$40,850
3	\$20,090	\$28,750	\$45,950
4	\$24,250	\$31,900	\$51,050
5	\$28,410	\$34,500	\$55,150
6	\$32,570	\$37,050	\$59,250
7	\$36,730	\$39,600	\$63,350
8	\$40,890	\$42,150	\$67,400

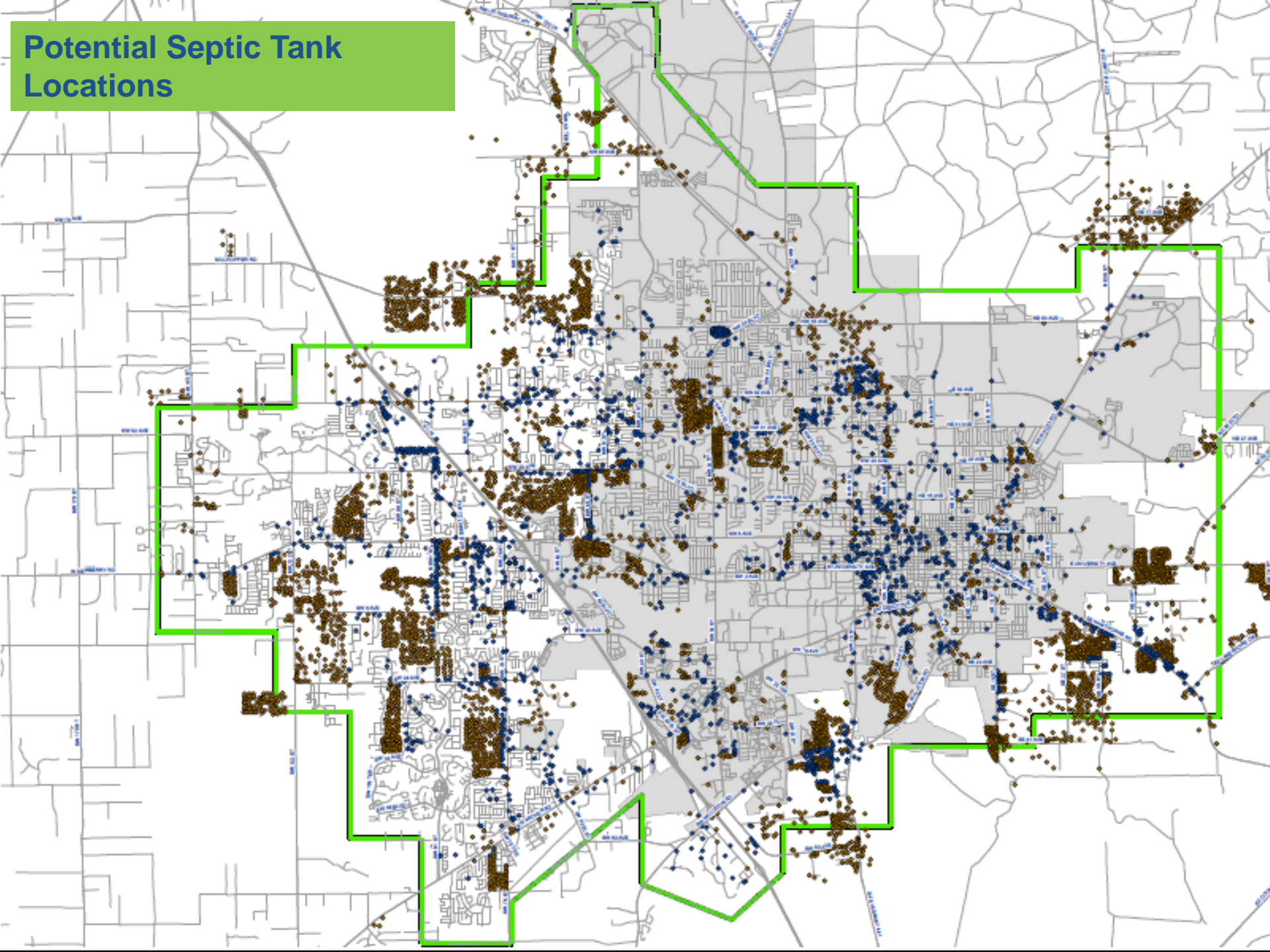
The Income Limits used in the ConnectFree Program are updated annually from HUD



Eligible Properties

- **Existing Residential** (Owner Occupied or Rental)
- **Existing Non-Residential** (Non-Profit or Government)
 - Used primarily for charitable services to benefit Special Needs Populations in the community:
 - Special Needs Population include, but are not limited to: the elderly (including nursing homes); 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.
- **New/Existing Affordable Housing**
 - Local Government Contribution (Tax Credit Projects)

Potential Septic Tank Locations





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

Maximum Funding Per Customer Water

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
Total Water	\$12,256	\$11,756	\$11,756	\$11,756

*Estimated

Maximum Funding Per Customer Wastewater

Item	Low Income	Non Low Income	Non Profit	Rental
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
Total Wastewater	\$30,135	\$28,935	\$28,935	\$28,935

*Estimated

Maximum Funding Per Customer

Water & Wastewater

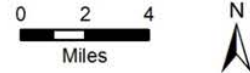
Item	Low Income	Non Low Income	Non Profit	Rental
Total Water	\$12,256	\$11,756	\$11,756	\$11,756
Total Wastewater	\$30,135	\$28,935	\$28,935	\$28,935
Total Water/Wastewater	\$42,391*	\$40,691	\$40,691	\$40,691

*Estimated

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/ Non-Low Income Area			X

GRU Service Area



MAP NOTES:

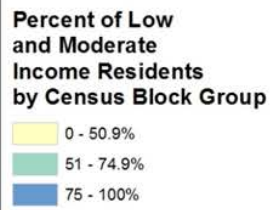
Water and sewer utility service area boundary is an approximation based on current distribution main locations plus an additional 1/4 mile buffer representing estimated potential service radius.

Boundary as shown should only be used for gross planning purposes and is not intended to represent individual customer service locations or serveability.

Availability of service and extensions may also be impacted by the Urban Services Line, which is defined in the Alachua County Comprehensive Plan.

Actual availability and requirements for service, and any applicable charges, may be determined by contacting the GRU New

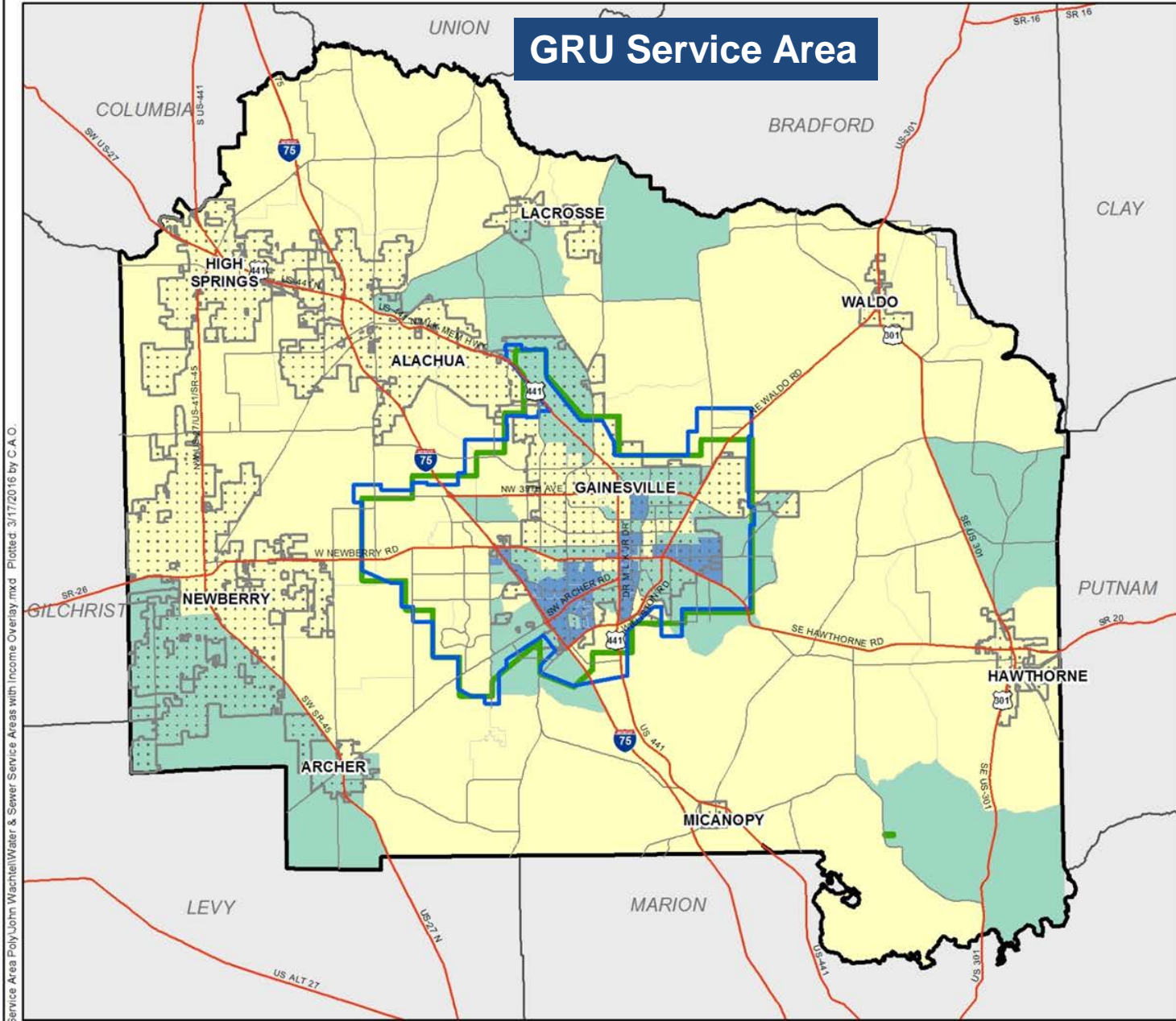
- Legend**
- GRU Water Service Area
 - GRU Sewer Service Area
 - Municipalities



Census Data Source:
US Department of Housing and Urban Development

https://www.hudexchange.info/onecpd/assets/File/ACS_2006_lowmod_blockgroup_fl_2015.xlsx

As forwarded by
Liz Thompson, UF College of Design, Planning, & Construction



D:\arcdata\Service Area Poly\obm\Wochell\Water & Sewer Service Areas with Income Overlay.mxd Plotted: 3/17/2016 by C.A.O.

Census Block Group Income Data with GRU Approximate Service Area Boundaries





- **Wells**

- Not meeting primary drinking water standards

- **Septic Tanks**

- Threat to human health
- Impact to waterway

- **Well/Septic Tank Assessments**

- Staff will partner with Alachua County Health Department to assist with Public, Health, Safety and Environmental assessments

- **Open Enrollment**
- **First Ready/First Served**
 - Tiers 1 and 2
 - Tier 3 (Waiting List)
- **Mid-Year Assessment**
 - Evaluate program to determine whether to offer services to Tier 3
 - Provide status reports to City Commission, as needed
 - Notify City Commission of projects over \$50k

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

Program Set-Aside	Percentage	Amount
Single Units/Neighborhood Ext. <ul style="list-style-type: none"> • Owner Occupied, Rental, Non-Profits • Individual Properties Requesting Ext. 	60%	\$150,000
Public/Health/Safety/Environmental	10%	\$25,000 (min.)
Affordable Housing <ul style="list-style-type: none"> • Local Government Contribution (Tax Credits) 	15%	\$37,500 (min.)
Program Delivery <ul style="list-style-type: none"> • Administration, Advertising, etc. 	15%	\$37,500 (min.)
Total	100%	\$250,000

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

Program Changes	Connect Free Program (Former)	Connect Free Program (Proposed)
Service Area	City Wide	GRU Service Area
Administration	GRU (Primary) and General Government	General Government (Primary) w/ GRU assistance
Surcharge Allocation	50% General Government 50% Connect Free	100% Connect Free
Maximum Funding Award	Water: \$ 9,256+ Wastewater: \$18,935+ (additional award up to \$500-\$1,200 for on-site plumbing costs for Low Income Households)	Water: \$11,756+ Wastewater: \$28,935+ (additional award up to \$500-\$1,200 for on-site plumbing costs for Low Income Households)
Funding Set-Asides	Public/Health/Safety (20%)* Affordable Housing (20%)* Programmed Extension (60%) (*unexpended balances rolled to Programmed Ext. at end of fiscal year)	Public/Health/Safety (10%) Affordable Housing (15%) Program Delivery (15%) Neighborhood Extension (60%) (City Manager or designee may reallocate funds based on program needs)
Funding Prioritization	Programmed Extensions: 1. CDBG Target Area W/WW Connection 2. CDBG Target Area Water Ext 3. Enterprise Zone W/WW Connection 4. Enterprise Zone Water Ext. 5. Other W/WW Connection 6. Other Water Ext. 7. CDBG Target Area WW Ext. 8. Enterprise Zone WW Ext. 9. Other WW Ext	Tier 1: Low Income/Low Income Area AND Public Health Safety Tier 2: Low Income OR Low Income Area OR Non-Profit/Govt. OR Public Health Safety Tier 3: Non Low Income OR Non Low Income Area



Summary

- Water/Wastewater Extensions
 - Reclaimed Water-lower priority
- Priority
 - Low income households, low-income areas & health, safety and/or environmental issues
- Caps on Extension Costs
- On-site plumbing for low-income households
- Assistance in form of a Grant
- Eligible to property owners within GRU Service Area



Summary (continued)

- Open Enrollment
 - Tiers 1 and 2 - First Ready/First Served
 - Tier 3 - Waiting List/Mid-Year Evaluation
- City Commission notification for projects over \$50K
- City Manager or designee reallocate funds based on needs
- Program review/evaluation to City Commission within 18 months

Recommendation

Recommendation:

- **City Commission adopt the Proposed ConnectFree Resolution**