

# **H. A. W. S. P.**

(Homer Accelerated Water Sewer Program)

## **POLICY MANUAL**

Updated August 2012

Updated June 2016

HAWSP Original, June 22, 1999  
Approved by Council via Resolution 99-53  
June 28, 1999 Program Authorized

ERRATA

**I. PURPOSE/INTENT – In General**

**II. QUALIFYING CRITERIA**

1. Grandfather list updated, changes to Hillside Acres Sewer and Water and the Addition of West Lakeshore Drive Water and Sewer.
2. Resolution 03-80, deleted the methodology from Qualifying Criteria and placed more appropriately under Financing/Assessments.

**III. FINANCING/ASSESSMENTS**

1. Ordinance 99-14(S)(A), to use unexpended  $\frac{3}{4}$  of 1% sales tax revenues not used for debt retirement for funding water and sewer systems.
2. Resolution 01-21, amended the assessment methodology.
3. Resolution 03-80, amended the interest and payment date.
4. Resolution 03-80, assessment methodology set at equal shares.
5. Ordinance 16-20, amended petition signatures required to record owners of real property that would bear not less than 50% of the assessed cost of the improvement.

**IV. SPECIAL PROVISIONS, In Lieu of Agreements, Deferred Assessments**

1. Ordinance 02-48, Subdividing. 17.04.095 and 17.04.180; **Ordinance 12-15 - 17.04.100** .
12. Added by Resolution 05-50, Exempting Certain Lands.

**GENERAL STATEMENTS**

**H. A. W. S. P. POLICY MANUAL**

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## **I. PURPOSE/INTENT – IN GENERAL**

1. The H.A.W.S.P. is a combined local funding source of unexpended dedicated sales tax and dedicated sales tax, once the sewer debt is paid, and assessments to upgrade approximately 500+ homes to City water and/or sewer service.
2. The intent of the program is to improve the health and welfare of the Citizens of Homer by connecting residences to City water and/or sewer, thereby increasing the number of users on the system, increasing property values and improving the quality of life.
3. All water and/or sewer connections, upgraded, projects will be to City standards.
4. When practical, the intent of the program is to preclude the destruction of existing water and/or sewer services and, where practical, to eliminate spaghetti lines.
5. The criteria for the H.A.W.S.P. shall be reviewed annually by the Homer City Council.
6. No new subdivisions, formed after June 28, 1999, shall be eligible for this program.
7. Every attempt shall be made to include lots immediately adjacent to the water/sewer main lines within the project limits or boundaries as defined by the Public Works Department.

## **II. QUALIFYING CRITERIA**

The following water and/or sewer Assessment Districts, aka, LIDs or SADs are on the books: These LIDs/SADs should be grandfathered into the program and will receive priority consideration. These LIDs/SADs are listed in chronological order.

These projects have been reassessed, pursuant to Resolution 01-21 for a property owner share of 50%.

The City Council's regular meeting is scheduled for May 28, Memorial Day. The Council may change the meeting date to Tuesday, May 29<sup>th</sup>.

1. Harrington Heights – Water & Sewer, Public Hearing set for May 28/29/2001. Objection period ends July 27/28, 2001.

2. Mariner Village/Thorn Subdivision – Water & Sewer, Public Hearing set for May 28/29, 2001. Objection period ends July 27/28, 2001.
3. Thompson Drive – Sewer, Public Hearing set for May 28/29, 2001. Objection period ends July 27/28, 2001.
4. Forest Glen Subdivision/Forest Glen Drive – Water & Sewer, Public Hearing set for May 28/29, 2001. Objection period ends July 27/28, 2001.
5. Salt Water Drive – Water and Sewer, Public Hearing set for May 28/29, 2001. Objection period ends July 27/28, 2001.
6. East Road – portion – Sewer, Public Hearing set for May 28/29, 2001. Objection period ends July 27/28, 2001.
7. Hillside Acres Sewer, Public Hearing set for May 28/29, 2001. Objection period ends July 27/28, 2001.
8. Hillside Acres Water, Public Hearing set for May 28/29, 2001. Objection period ends July 27/28, 2001.
9. W. Lakeshore Drive Water and Sewer, Public Hearing set for May 28/29, 2001. Objection period ends July 27/28, 2001.

Amendments to the schedule can be accomplished only by Council action.

LIDs/SADs Assessment Districts formed after March 27, 2001 shall be assessed 75% property owner share of the project.

All projects will be authorized only after a public hearing to insure public participation in the process pursuant to HCC 17.

The following criteria may be considered for qualifying as a water and/or sewer project.

- a. Health and Safety;
- b. Correct deficiencies of existing systems;
- c. System wide basis versus local needs;

- d. Complete utility loop;
- e. Encourage economic development;
- f. Correct problems;
- g. Reduce maintenance cost;
- h. Build to city standards prior to acceptance;
- i. Property owner contribution through LID/SAD process by paying \$1,100 per half acre increments for water and sewer each. With the exclusion of those 7 projects on the preceding page.
- j. Other factors deemed appropriate by the City Council.

### **III. FINANCING/ASSESSMENTS**

1. Pursuant to Ordinance 99-14(S)(A) the program may utilize the unexpended sales tax revenue dedicated to sewer debt. Upon satisfaction of the sewer debt the  $\frac{3}{4}$  of 1% sales tax shall continue and shall be used for water and/or sewer system improvements. Approved by the voters October, 1999.
2. A  $\frac{3}{4}$  of one percent (3/4%) dedicated sales tax can be expected to generate approximately \$750,000 annually. The unexpended portion is projected to be approximately \$300,000.
3. The utility improvements will be financed on a combined pay as you go basis as well as possible sale of revenue or assessment bonds, future bond sales or even the need for a General Obligation Bond if so deemed necessary by the Homer City Council and as recommended by staff.
4. The City will attempt to obtain long term financing for up to twenty years for the private share of funding.
5. Interest, if any, generated from the program will remain with the program funds.
6. Abutting property owners will share the cost of the utilities.
7. The City will pay all costs for any additional improvements required when deemed necessary by the City.

8. Assessment payment date, penalty and interest shall be set as soon as the project has been accepted by the Public Works Department.

Interest and Payment Due date will be set by Resolution of the City Council (Resolution 03-80, May 27, 2003).

9. Methodology: Approved by Resolution 02-21 on March 27, 2001. The nine LIDs/SADs Assessment Districts named herein, under Qualifying Criteria, shall be assessed 50% of the project. Districts formed after March 27, 2001 shall be assessed 75% of the project. Via Council action on April 28, 2003 assessment methodology for HAWSP LIDs/SADs Assessment Districts will be equal shares. (Resolution 03-80, May 27, 2003)

10. Expenditures under the HAWSP program are subject to the availability of funds, after maintaining a debt-service coverage ratio of 1.25 or above. (Resolution 16-041(S-2)(A), May 9, 2016)

#### **IV. SPECIAL PROVISIONS**

1. Non existing water and sewer improvement districts shall be encouraged whenever possible. District is defined as: lots immediately adjacent to the water/sewer main lines within the project limits/boundaries as defined by Public Works.

2. HCC 17.04.170 Water and sewer connections required. The owner of property in a water or sewer special assessment district that contains an occupied building shall connect to the improvement constructed in the district within one year after the date that the resolution confirming the assessment roll for the district becomes final. (Ordinance 87-30, 1988; revised Ordinance 12-15, 2012)

3. HCC 14.04.020(e), the City sewer is considered as not available to a structure when the nearest City sewer is located more than 200 feet from any point on the boundary of the lot or parcel of land on which the structure is located. Sewer connection will be required within one year of sewer becoming available. (Ordinance 94-17(A))

4. Additional easements required will be paid by this program, at no additional cost to abutting property owners.

5. No parcel shall be double assessed nor shall be included in two like assessment districts.

6. Whenever and wherever practical road improvements shall be done in conjunction with the water and/or sewer project, but not before.
7. HCC 17.04.190, Deferment of assessment payments for senior citizens.
8. HCC 17.04.200, “In lieu of assessment”—determination of amount—terms.
9. HCC 17.04.200 “In lieu of assessments”, not to prevent inclusion in of property in future district.
10. 17.04.100 Subdivision after levy of assessments. (a) Except as provided in subsection (b) of this section, upon the subdivision of a property assessed as a single parcel, the amount of the assessment shall be allocated among the resulting lots that benefit from the improvement on the same basis that the assessment originally was allocated. (b) Upon the subdivision of a property assessed as a single parcel in an assessment district where assessments were levied in an equal amount per parcel (i.e., without regard to parcel area, dimension or other characteristic), then no resulting parcel, other than the parcel that contains the original connection to the improvement for which the assessment was levied, may connect to the improvement until a subdivided property connection fee is paid for the parcel. (1) The amount of the connection fee shall be equal to the amount of the original assessment, adjusted up or down by a percentage equal to the change in the Consumer Price Index, All Urban Consumers (CPI-U) for Anchorage, Alaska from the end of the calendar year preceding the original assessment date to the end of the calendar year preceding the date the parcel is connected to the improvement. (2) If the original assessment was payable in installments the city may enter into a written agreement for the payment of the connection fee in installments on terms that are substantially the same as those authorized for the payment of the original assessment, secured by a deed of trust on the parcel. (3) Upon receiving connection fee payments, the city shall allocate such payments to each property assessed in the district in proportion to the amount originally assessed against the property, either by adjusting the original assessment amount or disbursing a payment to the record owner at the time of disbursement. (Ordinance 02-48, December 10, 2002; revised by Ordinance 12-15, April 10, 2012)
11. 17.04.110 Assessments to be liens. Assessments are liens upon the property assessed and are prior and paramount to all liens except those having priority under State law. They shall be enforced in the same manner as property tax liens. (Ordinance 12-15, April 10, 2012)
12. Certain Lands that will not be Developed due to Conservation Easements or Owned by Organizations that Conserve Land for Public Purpose and/or Habitat Protection from the Homer Accelerated Roads Program and the Homer Accelerated Water and Sewer Program Assessment District Assessments on a Case by Case Basis and that Each Program Shall be Amended to Include this Exemption under Special Provisions. (Resolution 05-50(A), April 25, 2005)