



## Memorandum 19-058

TO: MAYOR CASTNER AND HOMER CITY COUNCIL  
FROM: COUNCIL MEMBERS LORD AND STROOZAS  
DATE: MAY 22, 2019  
SUBJECT: REWRITE OF HOMER CITY CODE TITLE 14 AND TITLE 17

Ordinance 19-23 provides a major overhaul of our City Code regarding water and sewer public utilities and special assessment districts. The legal memo outlines the major changes, encompassing both the proposed structural and policy changes. We have reserved June 11, 2019 at 4:00 p.m. for a worksession on this Ordinance, and we propose at least two public hearings to ensure time for both the public and Council to review and digest these proposed changes.

This is a huge undertaking, and we want to highlight several proposed **policy changes for the Council's** attention:

- Proposed Homer City Code (PHCC) 14.01. While also providing a critical consolidation of general **provisions for Homer's water and sewer utilities, this section also includes basic language that is a skeleton of Ordinance 19-19 (14.04.010)**. We understand these are moving simultaneously, and suggest that the language be maintained in this Ordinance as a place-holder while 19-19 moves through the public process. As this Ordinance will likely take substantially longer to move, an amendment can be made to replace the language on Page 2, Lines 24-26 as appropriate. Note that this Ordinance also proposes deleting HCC 14.04.115
- Homer City Code (HCC)/PHCC 14.04.02 (Page 4 of the legal memo)
- HCC 14.30 deleted, revised and moved to PHCC 17.18. Pulls the developer reimbursement program in line with the special assessment district process and provides clarity on City responsibility (Page 7 of the legal memo)
- PHCC 17.02.010 Provides definitions for benefited area and developable land, providing a clear alternative to equal area assessments and maintaining flexibility in establishing the assessment method for a district.
- HCC/PHCC 17.02.100 is a revision of the subdivision after levy of assessment section of current code which you may recall from Ordinance 18.18 (failed). This proposal clarifies the calculation of the connection fee, and provides for a sunset date equal to the financing terms for the original assessment.
- HCC 17.04.190/PHCC 17.04.190 increases the qualifying income to 200% instead of 125% to be consistent with surrounding communities on the Kenai Peninsula. This would mean a family of four making less than \$64,380 would be able to qualify for a hardship deferral (vs. the current guideline of 125% or \$40,237).

- HCC 17.04.200/PHCC 17.02.200 Provides a clear process for properties outside an assessment district to join the district. See the accompanying diagram.  
Future work, following on the heels of this Ordinance, will include updates to HCC 11.38 (the developer reimbursement program for roads), the HAWSP/HART policy manuals, the fee schedule, and a review of the penalty schedule (a copy of our current schedule is included in this packet for your reference).  
Similar to the legal memo provided by BHBC, this does not encompass all of the substantive changes in the Ordinance. However, it does highlight significant points that we believe the Council should review and discuss at a minimum, and we look forward to the conversation.

**CITY OF HOMER  
HOMER, ALASKA**

*Failed  
4/23/18*

Lord

**ORDINANCE 18-18**

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA  
REPEALING HOMER CITY CODE 17.04.100, SUBDIVISION AFTER  
LEVY OF ASSESSMENT.

WHEREAS, Homer City Code 17.04.100 requires that a subdivision connection fee be collected when a property assessed as a single parcel in an assessment district where assessments were levied in an equal amount per parcel creates a new lot by subdividing and connects to the improvement; and

WHEREAS, The subdivision connection fee is substantially equal to the amount of the original assessment; and

WHEREAS, The levying of a subdivision connection fee discourages subdividing and infill where costly water and sewer infrastructure is installed; and

WHEREAS, It is in the best interest of the City to have more customers on the Water and Sewer System to share in the cost of maintaining the system; and

WHEREAS, Encouraging infill is will also help with the City of Homer's Comprehensive Plan Goal 9 under the Economic Vitality Chapter to provide affordable housing by creating smaller, affordable lots with city services; and

WHEREAS, In recognition of the impacts of levying a subdivision connection fee the Homer City Council exempted the Homer Natural Gas Line Special Assessment District from HCC 17.04.100 when it was established; and

WHEREAS, The Homer City Council recognizes there may be other issues that need to addressed in Title 14, Public Services and Title 17, Improvement Districts and directs the City Manager to work with the City Attorney to simplify and improve these sections of code.

NOW, THEREFORE, The City of Homer Ordains:

Section 1. Homer City Code 17.04.100 Subdivision after levy of assessments is hereby repealed:

~~a. Except as provided in subsections (b) and (c) of this section, upon the subdivision of a property assessed as a single parcel, the amount of the assessment shall be allocated among~~

43 the resulting lots that benefit from the improvement on the same basis that the assessment  
44 originally was allocated.

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46 ~~b. Except as provided in subsection (c) of this section, upon the subdivision of a~~  
47 ~~property assessed as a single parcel in an assessment district where assessments were levied~~  
48 ~~in an equal amount per parcel (i.e., without regard to parcel area, dimension or other~~  
49 ~~characteristic), then no resulting parcel, other than the parcel that contains the original~~  
50 ~~connection to the improvement for which the assessment was levied, may connect to the~~  
51 ~~improvement until a subdivided property connection fee is paid for the parcel.~~

52  
53 ~~1. The amount of the connection fee shall be equal to the amount of the original~~  
54 ~~assessment, adjusted up or down by a percentage equal to the change in the Consumer~~  
55 ~~Price Index, All Urban Consumers (CPI-U) for Anchorage, Alaska, from the end of the~~  
56 ~~calendar year preceding the original assessment date to the end of the calendar year~~  
57 ~~preceding the date the parcel is connected to the improvement.~~

58  
59 ~~2. If the original assessment was payable in installments the City may enter into a~~  
60 ~~written agreement for the payment of the connection fee in installments on terms that~~  
61 ~~are substantially the same as those authorized for the payment of the original~~  
62 ~~assessment, secured by a deed of trust on the parcel.~~

63  
64 ~~3. Upon receiving connection fee payments, the City shall allocate such payments to~~  
65 ~~each property assessed in the district in proportion to the amount originally assessed~~  
66 ~~against the property, either by adjusting the original assessment amount or disbursing~~  
67 ~~a payment to the record owner at the time of disbursement.~~

68  
69 ~~c. Upon the subdivision of a property assessed as a single parcel in an assessment~~  
70 ~~district for natural gas distribution improvements where assessments were levied in an equal~~  
71 ~~amount per parcel (i.e., without regard to parcel area, dimension or other characteristic), the~~  
72 ~~assessment levied on the property that is to be subdivided shall be paid in full before the~~  
73 ~~recording of the final plat. No parcel that results from the subdivision shall be subject to~~  
74 ~~assessment for the improvements, but shall be charged for connecting to the improvements in~~  
75 ~~accordance with the tariff of the public utility that provides natural gas service to the parcel.~~  
76 ~~{Ord. 15-11 § 1, 2015; Ord. 12-15 § 1, 2012}.~~

77  
78 Section 2: This ordinance shall take effect upon its adoption by City Council.

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80 Section 3: This ordinance is of a permanent and general character and shall be included  
81 in the City Code.

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83 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this \_\_\_ day of \_\_\_\_\_, 2018.

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CITY OF HOMER

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BRYAN ZAK, MAYOR

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ATTEST:

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MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and Approved as to form and content:

\_\_\_\_\_  
Katie Koester, City Manager

\_\_\_\_\_  
Holly Wells, City Attorney

Date: \_\_\_\_\_

Date: \_\_\_\_\_

