



# City of Homer

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Homer City Council

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## Memorandum 19-089

TO: Mayor Castner and Homer City Council

FROM: Councilmember Lord

DATE: July 22, 2019

SUBJECT: Summary of July 10, 2019 Worksession Regarding Ordinance 19-23(S)

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During the July 10th Council worksession, council discussion focused on Title 17. Councilmembers and the Mayor raised a number of questions and next steps that are outlined below. The purpose of this memo is to confirm with Council progress that was made during the worksession and lay the ground work for a worksession scheduled for **August 12 at 4pm** and schedule an extended worksession for the fall on larger 'next step' topic.

### **Title 17 Major Policy Considerations (PHCC = Proposed Homer City Code in Ord 19-23(S))**

#### **PHCC 17.01.010 Definitions: Benefited Area**

Proposed Homer City Code recommended benefited area (assigning cost based on the benefited square footage of the property) as the default option for the method of assessing parcels. There was quite a bit of discussion surrounding the pros and cons of implementing a benefited area method. Conversation loosely coalesced around maintaining the definition of benefited area in code so it could be an option, but not designating it as the default, members preferring the per parcel approach where everyone pays the same regardless of lot size.

*Council tasked the sponsors with working on a recommended solution and bringing it to the body.*

#### **PHCC 17.02.100 Subdivision after Levy of Assessment**

This section triggers the levying of a subdivision connection fee roughly equal to the original assessment for new parcels created in a subdivision where every lot was assessed equally. It added a sunset equal to the term of the district whereupon the fee would no longer be levied.

*Members agreed with the changes proposed in this section.*

#### **PHCC 17.02.190 Hardship Deferral**

Proposed Homer City Code increased the hardship deferral for an annual assessment payment from 125% of federal poverty to 200% of federal poverty guidelines. Council members expressed concern with increasing the hardship deferral. For example, 200% of federal poverty guideline levels for a family of four in Alaska is \$64,380 according to the US Office of Child Care and the median household income for the City of Homer is \$59,185 (in 2017 dollars) according to the US Census. Approximately 39% of Homer households live below median income with 61% living at or above according to the 2017 American Community Survey. This change would potentially greatly increase the

number of eligible applicants and have an adverse impact on the health of the funds. Council members requested more data on potential economic impacts to the City.

*Council tasked the sponsors with working on a recommended compromise and bringing it to the body.*

### **PHCC 17.02.200 Payment In Lieu of Assessment**

Payment in lieu of assessment is a mechanism to collect funds from a property that benefits from the improvement but is not included in the original district. This tool is used very rarely in practice. Councilmember Smith expressed concern over potentially dis-incentivizing future assessments and how that would be accounted for financially in the future. Mayor Castner questioned the 'one-off' nature of these assessments.

*Council tasked the sponsors with further thinking through in lieu of assessments, including potential scenarios on Sterling Highway, and bringing recommendations back to the body.*

### **Rulemaking Authority**

Council wanted to clarify the definition of rulemaking authority given to the City Manager and wanted to make sure the word "implement" was used when it came to policy and the City Manager's role. This triggered a greater discussion regarding the definitions of various terms including rules, regulations, code, policy, and procedures in Homer City code. The follow up on this was two-fold:

*Council tasked the sponsors with working on recommended language that preserved Council's policy making role as it pertains to this title and bring it to the body.*

*A broader conversation on the roles of Council, manager, and the difference between code policies and procedures was put in the parking lot for a broader conversation, perhaps as an amendment to the operating manual.*

### **Council can Agree on...**

Council came to an agreement on a number of additional items that can be implemented in the next version of Title 14/17 revisions. These include

- Re-ordering residential and industrial waste sections
- Leave natural gas exclusion in levy of assessment after subdividing as written (original code)
- Use term 'sanitary system' throughout Title 14 rather than acronym
- Remove word 'surface' from 14.04.100
- placing the topic of extraterritorial services to the side while Ordinance 19-19 works its way through the process (parking lot)

### **Next Steps**

In addition to continuing the discussion on Ordinance 19-23(S) at the proposed August 12 worksession, outstanding items that will need to be addressed and adopted by Council are listed below. Council will need to schedule an extend worksession to get through these items. **I would suggest Monday September 16 from 3pm-5pm.**

- Permit applications for a variety of permits (6)
- Changes to the fine schedule to provide enforcement options for some of the newly adopted sections
- Changes to the fee schedule to implement new permit and application fees in the title
- Updating the HART and HAWSP policy manuals to reflect changes in special assessment districts