



City of Homer

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Memorandum 16-063

TO: Mayor Wythe and Homer City Council
FROM: Katie Koester, City Manager
DATE: April 1, 2016
SUBJECT: Resolution 16-041 HART and HAWSP

Council has had two work sessions on the Homer Accelerated Roads and Trails (HART) and Homer Accelerated Water and Sewer Program (HAWSP). From those sessions I gathered the following areas of consensus.

- 1) Standardize HART and HAWSP as much as possible
- 2) Make the allocation of cost to lot owners under HART more equitable

Changes made in Resolution 16-041:

- 1) Resolution 16-041 before you changes HART from \$30/foot for gravel reconstruction and \$17/foot for paving to an equal assessment per lot owner, regardless of lot size. This will require changing how the cost per lot is determined. Staff recommendation is that lot owners be assessed 25% of total project cost. This more closely aligns HART and HASWP Special Assessment District (SAD) procedures.
- 2) A new provision makes HART and HAWSP SADs subject to the availability of funds. This could be a problem sooner rather than later for HAWSP whose cash flow is committed to loan repayment.

Recommendations for Planning Commission review contained in Resolution 16-041:

There are a number of outstanding policy questions Council has brought up surrounding HART that this Ordinance does not address. Item 7 of the Purpose and Intent section of the HART Policy Manual requires the criteria for HART to be reviewed annually by the Transportation Advisory Committee, whose duties have been absorbed by the Planning Commission. Resolution 16-041 asks the Planning Commission for an extensive review focusing on:

1. Any specific differing criteria for the establishment of a sidewalk LID (now called a Special Assessment District or SAD)
2. Any recommendations/comments on incorporating maintenance costs into the HART
3. Readability of HART Policy Manual

Issues not addressed in Resolution 16-041:

HCC 17.04.100 triggers a new assessment when a lot is subdivided. This was not an issue for HART SADs currently, because the original assessments have a relation to lot size. The

rational is that when a lot subdivides, it is creating additional benefit from the improvement and should pay a fair share. City code says this new assessment is to be distributed back to the members of the district. This is difficult to do in practice and very administratively burdensome. Staff recommended a sunset on this clause for the natural gas HSAD. The Economic Development Advisory Commission has submitted a memo requesting this be changed for all special assessment districts.

Some councilmembers have articulated the desire for every lot to have an equal vote (currently votes are weighted by assessed value). This would solve the problem of one very large commercial lot being able to dictate the outcome for the rest of the district. However, the original intention of weighting the vote by assessed value was to give a preference to people who had a home and investment on the property (and are probably city residents living and working here) versus someone who has a vacant piece of property and may have no motivation to have a road improved or access to city utilities. Because of this, Resolution 16-041 as it is currently drafted does not change the way votes are calculated.

Column1	HART CURRENT	HAWSP CURRENT	HART RESOLUTION 16-041
Vote	Each lot owner is given a vote that is weighted by assessed value.	Each lot owner is given a vote that is weighted by assessed value.	Each lot owner is given a vote that is weighted by assessed value.
Cost	Lot owners are charged \$17/foot for paving and \$30/foot gravel reconstruction. Fixed cost for lot owners variable for City.	Every Lot pays the same (75% of project cost).	Every lot pays the same (25% of project cost).
Payment Schedule	10 Years	20 Years	10 Years
New Assessment Generated When Lot Subdivides?	No	Yes	Yes

Because of the details surrounding HART/HAWSP the topic can quickly become confusing. In order to give the public a chance to weigh in and Council time to come up with additional suggestions, a Public Hearing is scheduled for April 25.

- Enc:
 HART Policy Manual
 HASWP Policy Manual
 HCC 17.04.100