

Healdsburg City Council Meeting

September 3, 2024



City Manager's Report

City Council, September 3, 2024



Public Comment on Non Agenda Items

Comentarios del público sobre puntos no incluidos en la agenda de la reunión

03:00

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Future Planning Efforts to Support Residential Development within Targeted Areas

City Council, September 3, 2024



Past Planning Efforts

- 2030 General Plan (2009)
- Central Healdsburg Avenue Plan (CHAP) 2013
- Sustainable Design Assessment Team Report (SDAT) 2018
- Affordable Housing Master Plan & Site Analysis (2019)
- Housing Needs Assessment (2020)
- Housing Action Plan (2017-2022)
- Housing Element Update (2023)
- City's Diversity, Equity, and Inclusion Plan (2023)
- Climate Mobilization Strategy (2023), the
- Housing Needs Assessment (2024)
- Downtown Housing Capacity Study (2024)

Planning Tools for Housing

- Housing Overlay Zone
- Specific Plan
- General Plan

Housing Overlay Zone

Definition

- Specialized zoning district
- Layered on top of existing zoning regulations
- Incentives to promote residential development
- Focus on workforce and affordable housing

Housing Overlay Zone

Potential Features

- Density bonuses
- Relaxed regulations
- Objective design standards
- Incentives for middle-income housing
- Targeted areas for development

Housing Overlay Zone

Benefits

- Community Engagement
- Increased housing supply
- Affordable housing production
- Efficient land use
- Economic development
- Flexibility for developers
- Sustainability

Housing Overlay Zone

Application

- North Healdsburg Avenue Corridor

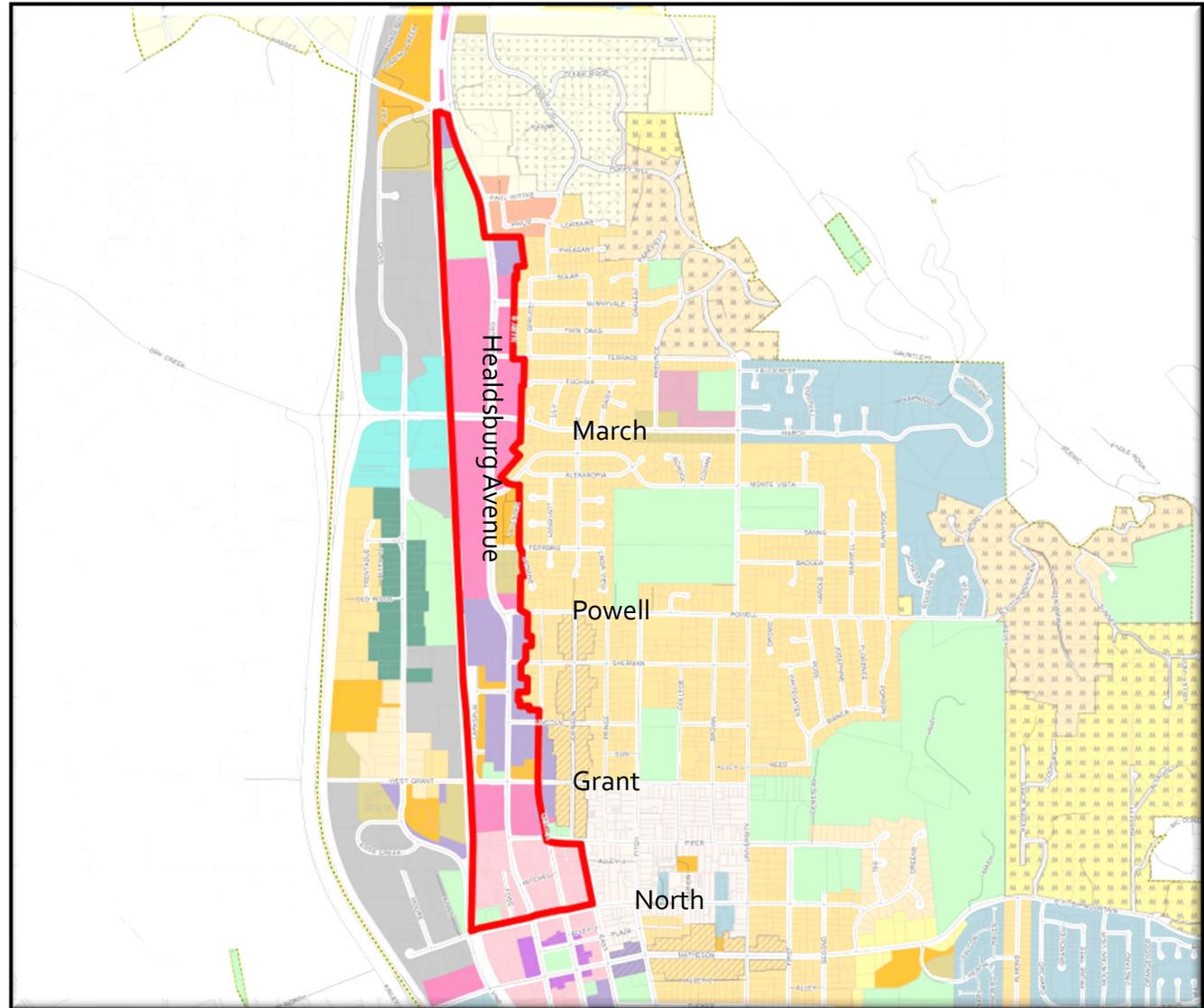
Timeline

- 9 to 12 Months

Cost

- \$100K to \$200K

North Healdsburg Avenue Corridor



Specific Plan

Definition

- Detailed planning document that guides development within a defined area.
- Bridge between the General Plan and individual development projects.
- Tailored approach to land use, design standards, infrastructure, and other community needs.
- Local examples:
 - Central Healdsburg Avenue Plan (CHAP)
 - North Entry Area Plan (NEAP)
 - Area A Specific Plan

Specific Plan

Components

- Land use plan
- Circulation plan
- Infrastructure plan
- Design guidelines
- Implementation plan
- Environmental impact analysis
- Development standards

Specific Plan

Benefits

- Tailored development
- Community involvement
- Certainty for developers
- Coordination of investments
- Environmental protection
- Economic development
- Long-term vision

Specific Plan

Application

- CHAP Amendment
- South Entry Area

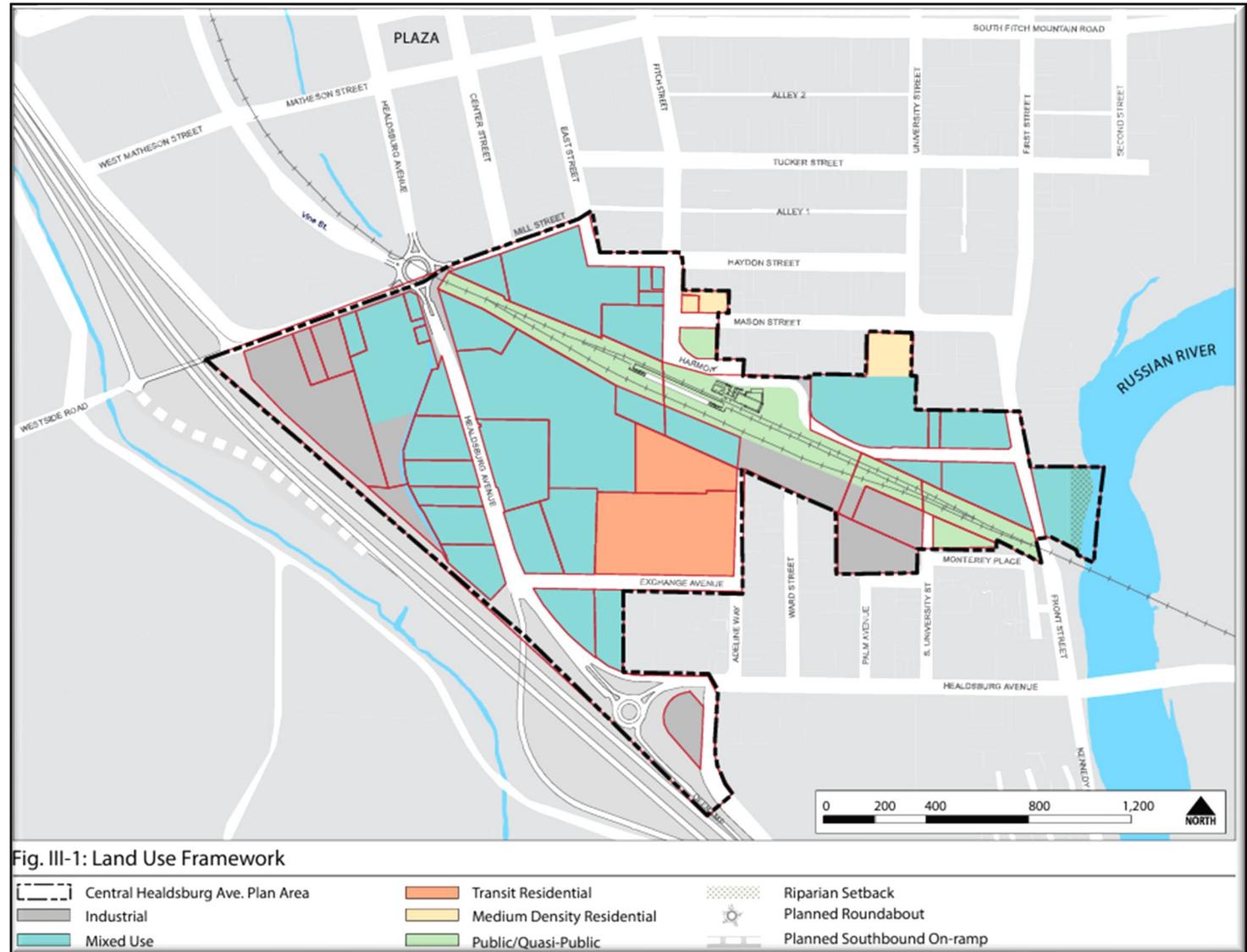
Timeline

- Specific Plan Amendment: 12 to 18 Months
- New Specific Plan: 2 to 3 Years

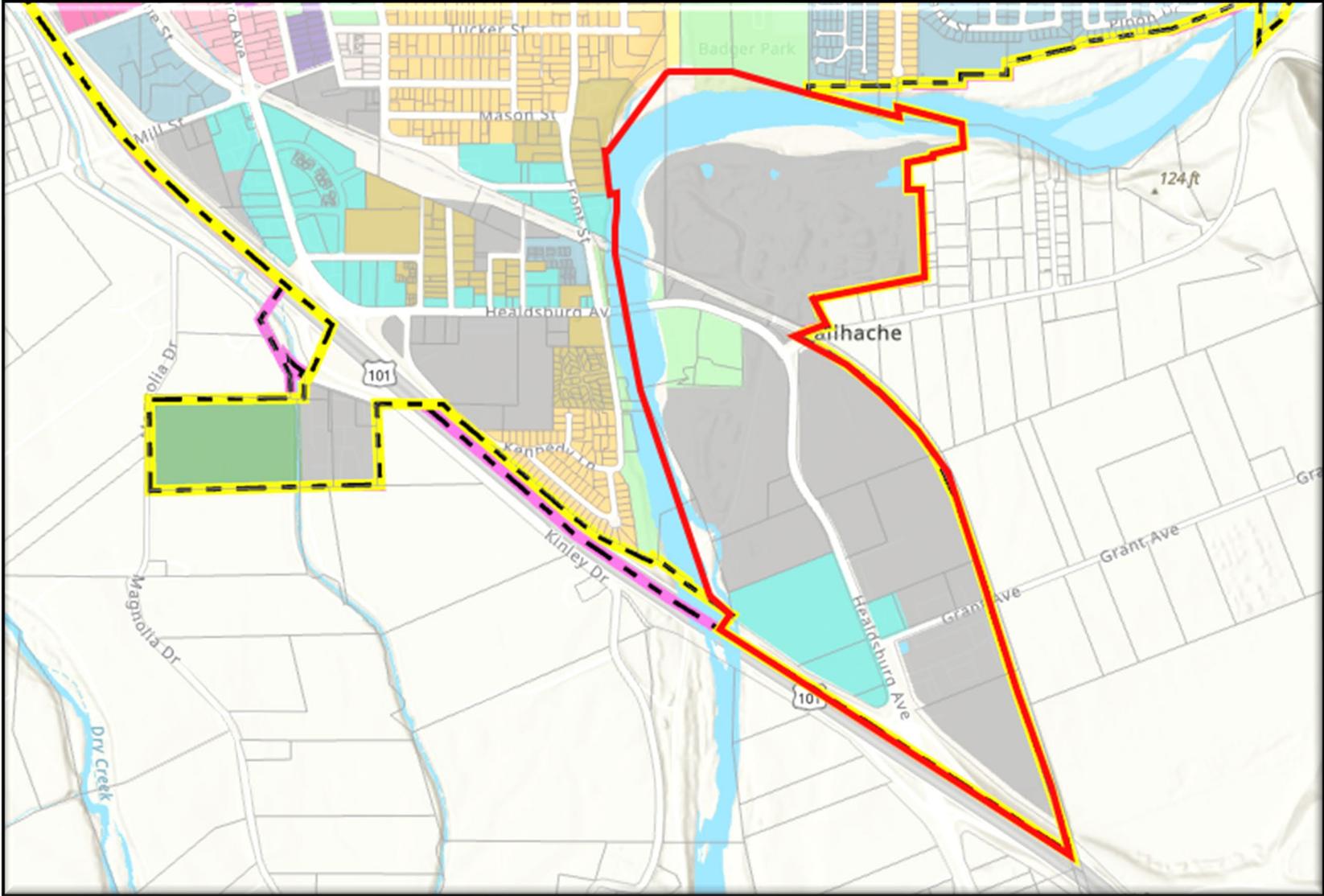
Cost

- Specific Plan Amendment: \$100K to \$300K
- New Specific Plan: \$1.5M

Central Healdsburg Avenue Plan



South Entry Plan Area



General Plan

Definition

- Comprehensive, long-term framework that guides the physical development of a city.
- “Constitution” for future development.
- Governs land use, transportation, housing, natural resources, public services, etc.
- Every city and county in California is required by state law to adopt a General Plan.
- Last update in 2009 with a planning horizon of 2030.

General Plan

Elements

- Land use
- Circulation
- Housing
- Conservation
- Open space
- Noise
- Safety
- Other

General Plan

Benefits

- Consistency and coordination
- Environmental stewardship
- Economic stability
- Flexibility
- Holistic planning
- Long-term vision
- Public participation

General Plan

Application

- City-wide

Timeline

- 3 to 5 Years

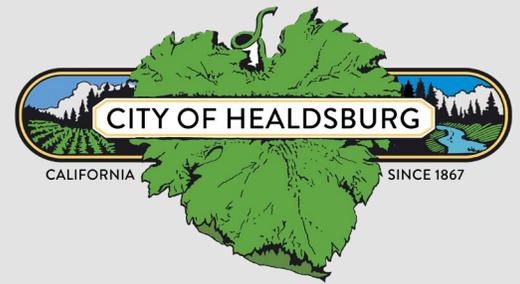
Cost

- \$2M+

Summary

- **Housing Overlay Zone:** North Healdsburg Avenue
- **Specific Plan Amendment:** Central Healdsburg Avenue Plan
- **Specific Plan:** South Entry Area

Questions & Discussion



Public Comment

Comentarios del público

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Establish Municipal Recycled Water Fees

City Council, September 3, 2024



Recommended Council Action

Adopt a resolution establishing

- A municipal recycled water meter fee of \$371.90 per meter per month
- A municipal recycled water volumetric usage fee of \$5.66 per hundred cubic feet
- Annual adjustments to the municipal recycled water fee based on the January 20-cities Average Construction Cost Index published by the Engineering News Record to take effect July 1

Background

- Wastewater discharge permit includes seasonal prohibition of discharge to the Russian River from May 15 to September 30
- City has developed an agricultural reuse program to achieve compliance with the seasonal discharge prohibition
- City acknowledged that municipal reuse would augment the agricultural program, enhancing compliance reliability, and would be pursued as funds permitted

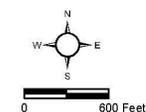
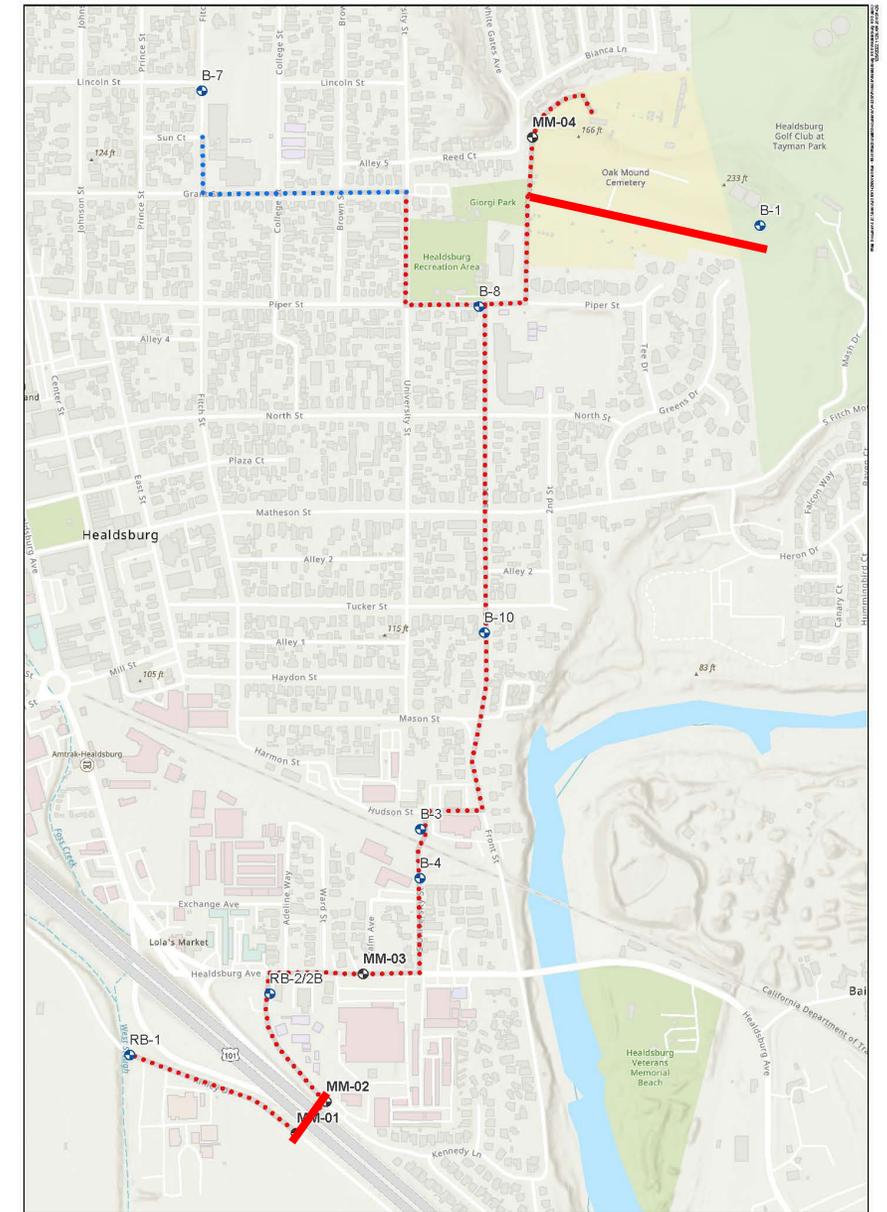
Background

- Discharge prohibition compliance through the agricultural reuse program has been achieved since 2021
- In 2021, staff applied for grants to develop the municipal recycled water program
- In 2022, the City was awarded \$7.1million to design and construct the Municipal Recycled Water Pipeline Project to serve:
 - Recreation Park and Giorgi Park
 - Healdsburg Elementary School
 - Oak Mound Cemetery
 - Tayman Golf Course

Background

The Municipal Recycled Water Pipeline Project is currently under construction and is expected to be operational on or before July 2025

- Underground work in City Streets is installed -----
- Remaining work includes Hwy 101 crossing, construction in Oak Mound Cemetery, and service connections (including bulk fill station) —————
- Contractor is trying to finish ahead of schedule



- Proposed Boring (Mott MacDonald)
- Existing Boring (GeoEngineers, 2009)
- Proposed Project Alignment
- Optional Project Alignment

Discussion

- The Municipal Recycled Water Pipeline Project anticipates delivery of approximately 27 million gallons (MG) to the users, offsetting potable water and potentially-potable water usage
- Municipal recycled water will reduce potable water sales and revenues
- Fees for municipal recycled water need to be established to address the operation cost to deliver the RW and to fund the facilities future replacement

Estimated Operation and Capital Replacement Cost

Operation costs include

- power for pumping
- labor costs for metering, billing, valve exercising, fill station servicing, etc.

Annual operation cost is estimated at \$26,777 per year

Used to establish fixed fees (i.e., meter fees) at \$371.90 per meter per month

Estimated Operation and Capital Replacement Cost

Capital replacement cost is estimated at a \$5.31 million present cost (mid point of bids)

- Annualized capital replacement cost based on 3% inflation and 3% return on investments over the 50-year life of the facilities.
- The annualized capital replacement cost is estimated at \$204,356 per year

Used to establish variable fees (i.e., volumetric usage fees) at \$5.66 per HCF

Estimated Municipal RW Fees - Conditions

- Meter fees applied to all users
- Volumetric usage fees applied to all but Tayman Golf Course (lease agreement stipulates that water for irrigation is provided by the City at no cost)
- Oak Mound Cemetery will receive a 50% discount on municipal recycled water fees as a condition of granting a public utility easement for the recycled water pipeline
- Recycled water fees do not fall under Proposition 218 requirements as the users have alternatives. Municipal recycled water fees are akin to a service fee rather than utility rate, making Proposition 218 not applicable

Estimated Municipal RW Fees – Annual Adjustments

- Initial fee estimates were prepared in February 2024
- Fees will be linked to 20-Cities Average Construction Cost Index (CCI) published by the Engineering News Record
- Index calculation
 - ❖ Updated fee = Previous Fee * (New Jan CCI ÷ Prev CCCI)
- Updated fee is based on January CCI and applied July 1 to June 30

Fiscal Impacts

- Approximately 8.5 MG (11,364 HCF) will be removed from water sales (Tayman Golf Course per lease agreement receives water at not cost)
- Oak Mound Cemetery will receive a 50% discount in fees for 5 years per PUE agreement
- Anticipated municipal recycled water revenue is approximately \$77,500 for year 1 (years 2 to 5 similar; ~\$89,125 for year 6 and beyond)
- Anticipated reduction in potable water revenue is approximately \$136,515
- Net impact of switching to the municipal recycled water program is \$59,015, year 1 (years 2 through 5 similar; ~\$47,390 for years 6 and beyond)

Municipal Recycled Water Program - Benefits

- The additional 27 million gallons of potable water will be available to current and future customers
- Recycled water tends to be more drought resilient than surface water sources
- Reduced demand on potable system leaves more of this water available for consumers, particularly during surface water scarcity

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Questions



Public Comment

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