AFFORDABILITY IMPACT STATEMENT
NEIGHBORHOOD HOUSING AND COMMUNITY DEVELOPMENT
CITY COUNCIL AGENDA: PENDING CASE NUMBER: PENDING

PROPOSED CODE AMENDMENT:	**AN ORDINANCE AMENDING CITY CODE CHAPTER 15-2 & 15-9 RELATING TO THE DRAINAGE UTILITY**
IMPACT ON REGULATORY BARRIERS TO HOUSING DEVELOPMENT	☐ POSITIVE ☐ NEGATIVE ☒ NEUTRAL
LAND USE / ZONING OPPORTUNITIES FOR AFFORDABLE HOUSING DEVELOPMENT	☐ POSITIVE ☐ NEGATIVE ☒ NEUTRAL
IMPACT ON COST OF DEVELOPMENT	☐ POSITIVE ☐ NEGATIVE ☒ NEUTRAL
IMPACT ON PRODUCTION OF AFFORDABLE HOUSING	☐ POSITIVE ☐ NEGATIVE ☒ NEUTRAL
PROPOSED CHANGES IMPACTING HOUSING AFFORDABILITY:	THE ORDINANCE ALLOWS THE DRAINAGE FEE CHARGE TO BE BASED ON THE AMOUNT OF IMPERVIOUS COVER ON THE PROPERTY AND THE PERCENTAGE OF IMPERVIOUS COVER ON THE PROPERTY. CURRENTLY, VARIABLES SUCH AS LAND USE AND INCREASES OF RUNOFF AND ASSOCIATED POLLUTANTS ARE USED TO CALCULATE FEE.
ALTERNATIVE LANGUAGE TO MAXIMIZE AFFORDABLE HOUSING OPPORTUNITIES:	NOT APPLICABLE
OTHER HOUSING POLICY CONSIDERATIONS:	NHCD SUPPORTS THE NEW FORMULA AS REQUESTED INFORMATION HAS SHOWN A POTENTIAL FOR THE DECREASE OF THE CURRENT DRAINAGE FEE METHODOLOGY FOR MOST AFFORDABLE RESIDENTIAL TYPE DEVELOPMENT. GENERALLY THE NEW FORMULA WILL DECREASE COSTS TO MULTI-FAMILY AND SINGLE-FAMILY DEVELOPMENT.
DATE PREPARED:	MAY 18 2015

MANAGER'S SIGNATURE: Reg Copic
REGINA M COPIC

Drainage Charge Estimates using FY15 rates

- Affordable housing units

Geographic ID	Property Owner	Address	Current Charge	FY15 Charge w/new methodology
0202070316		1616 Canterbury st	$9.80	$9.30
0208061233	AUSTIN HOUSING FINANCE CORP	902 Juniper st	$9.80	$3.99
0208061219	AUSTIN HOUSING FINANCE CORP	911 Olive st	$9.80	$6.77
0307171319	AMERICAN YOUTHWORKS INC	6914 Villita Avenida	$9.80	$4.20
0334031809		6640 Marble Creek Loop	$9.80	$10.78
0320180218		7440 Aspen Brook dr	$9.80	$10.30
0208111501		2201 S L Davis Ave	$9.80	$2.10
0426011605		4415 Magin Meadow dr	$9.80	$6.68
0336031440		6637 Doyal dr	$9.80	$7.30
0205070301	GUADALUPE NEIGHBORHOOD DEVELOPMENT CORP	807 Waller st	$9.80	$3.31*

*IC estimated from aerial and street view on google map.

- Multi family housing

Geographic ID	Property Owner	Address	Current Charge	Potential Charge
0102040416	MARY LEE COMMUNITY	1340 Lamar Square dr	$9.80	$2.80
0420050206 0420050207 0420050208 0420050209	AUSTIN HOUSING FINANCE CORP	6212 Crow Lane	$9.80	$5.70

ORDINANCE NO. _____

AN ORDINANCE AMENDING CITY CODE CHAPTERS 15-2 AND 15-9 RELATING TO THE DRAINAGE UTILITY.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. City Code Section 15-2-1 (*Definitions*) is amended to read:

§ 15-2-1 DEFINITIONS.

(A) Except as provided by Subsection (B), words and phrases in this chapter have the same meaning they have in Chapter 552 [~~402~~] (*Municipal Utilities*), Subchapter C (*Municipal Drainage Utility Systems Act*), of the Texas Local Government Code.

(B) In this chapter:

(1) ADJUSTMENT FACTOR means a number established by ordinance to be used in the drainage charge calculation to account for the percent of impervious cover on a benefitted property.

(2) DIRECTOR means the director of the Watershed Protection [~~and Development Review~~] Department.

(3) BASE RATE means an annual dollar amount per square foot of impervious cover established by ordinance to be used in the drainage charge calculation before application of the adjustment factor.

(4) IMPERVIOUS COVER means the total area, in square feet, of any surface that prevents the infiltration of water into the ground, such as roads, parking areas, concrete, and buildings.

(5) UTILITY CUSTOMER means the person or entity receiving the benefit of, or responsible for payment for, City utility service, such as drainage, consistent with Chapter 15-9 (*Utility Service Regulations*).

[~~(2) DWELLING UNIT means a residential unit providing independent living facilities.~~

~~(3) EQUIVALENT RESIDENTIAL UNIT or ERU means 1,763 square feet of impervious cover.~~

~~(4) NON-RESIDENTIAL USER means all or a portion of a benefitted property that is not a dwelling unit.~~

~~(5) RESIDENTIAL USER means all or a portion of a benefitted property that is a single dwelling unit~~.

~~(6) USER means the person or entity who owns or occupies a benefitted property.~~

PART 4. City Code Section 15-2-5 (*Categories of Developed Use*) is deleted in its entirety; a new Section 15-2-5 is added to read:

§ 15-2-5 IMPERVIOUS COVER CALCULATION.

(A) Impervious cover shall be calculated in accordance with the Environmental Criteria Manual and City Code Section 25-8-63 (*Impervious Cover Calculations*). For the purpose of impervious cover calculation for drainage utility purposes, impervious cover shall exclude gravel railroad track ballasts.

(B) The percentage of impervious cover on a benefitted property shall be calculated using the total area of the benefitted property as the denominator and the total impervious cover as the numerator, then converting the fraction to a percentage.

PART 5. City Code Section 15-2-6 (*Findings Related to Calculation of the Drainage Charge)* is amended to read:

§ 15-2-6 FINDINGS RELATED TO CALCULATION OF THE DRAINAGE CHARGE.

(A) The Council makes the findings listed in this Section. [~~finds that:~~]

(B) [~~(1) impervious~~] Impervious cover increases storm-water runoff and associated pollutants and is directly related to drainage. [~~; and~~]

(C)[~~(2)~~The total square feet of impervious cover and the percentage of impervious cover on a benefitted property affect both storm-water runoff and associated pollutants from a benefitted property.

(D) It [~~it~~] is non-discriminatory, reasonable, and equitable to assess the drainage charge for [~~to~~] each benefitted property [~~non-residential user~~] based on the amount and percentage of impervious cover.

[~~(B)The Council finds that:~~

~~(1)the drainage attributable to a residential user is relatively uniform;~~

~~(2)it is equitable to assess the drainage charge to each residential user assuming impervious cover of 1,763 square feet per residence, or one ERU; and~~

~~(3)it is equitable to assess a reduced drainage charge to residential users in vertical construction.~~]

PART 6. City Code Section 15-2- 7 (*Monthly Drainage Charge for Residential Properties*) is amended to read:

§ 15-2-7 MONTHLY DRAINAGE CHARGE [~~FOR RESIDENTIAL PROPERTIES~~].

(B) The drainage utility fund shall be administered in accordance with Section 552.049 [~~402.049~~] (*Segregation of Income*) of the Texas Local Government Code.

PART 9. City Code Section 15-2-12 (*Annual Report)* is amended to read:

§ 15-2-10 [~~12~~] ANNUAL REPORT.

The director shall provide an annual report of the drainage utility [~~Watershed Protection and Development Review Department~~] revenues, expenses, and programs to the city council.

PART 10. City Code Section 15-8-13 (*Administration; Rules*) is renumbered as City Code Section 15-8-11.

PART 11. City Code Section 15-8-14 (*Adjustments)* is amended to read:

§ 15-2-12 [~~14~~] BILLING ADJUSTMENTS.

(A) A utility customer may request administrative review by the director of the customer's drainage charge. Subject to Subsection (B), the director shall adjust a utility customer's account and issue a corrected bill if the director determines that the utility customer was over-billed or under-billed for drainage utility service based upon:

(1) an error in calculating the amount or percentage of imperious cover on the benefitted property;

(2) an error in calculating the area of the benefitted property;

(3) an error in calculating the drainage charge; or

(4) an error in assessing the drainage charge.

(B) Billing adjustments under this Section are subject to the time limitations in City Code Section 15-9-140 (B) (*Billing Adjustments*).

(C) The administrative review under this Section shall comply with City Code Section 15-9-191 (*Administrative Review*).

(D) After the administrative review is complete, a utility customer may request an administrative hearing as outlined in City Code Chapter 15-9, Article 12 (*Administrative Review and Hearing*).

[~~(A) A user may apply to the director for an adjustment in the user's drainage charge if:~~

~~(1)the user believes that the drainage charge schedule as applied to the user's benefitted property does not fairly reflect the cost of service to the user's benefitted property;~~

(2) [~~(b)~~] a copy of the organization's tax exemption certificate; and

(3) [~~(c)~~] an affidavit executed by a person authorized to contract for the organization stating that the organization participates in a program [~~that is approved by the city manager and~~] that provides housing for the homeless, at a monetary amount at least equal to the drainage charge.

(D) [~~(B)~~] The city manager shall review the effectiveness of the exemption under Subsection(C) [~~(A)(2)~~] and report the manager's findings and recommendations to council annually.

PART 13. City Code Section 15-2-16 (*Reduced Charge with Pond Registration*) is deleted in its entirety.

PART 14. City Code Section 15-1-17 (*Reduced Charge Based on Need*) is amended to read:

§ 15-2-14 [~~17~~] REDUCED CHARGE BASED ON NEED.

(A) A utility customer who qualifies for assistance under Austin Energy's Customer Assistance Program [~~The user of residential benefitted property~~] may request a reduced drainage charge based on financial need. [~~A request must be in writing and be provided to the director.~~]

(B) [~~The user of residential benefitted property is eligible for the reduced charge if the user or a person residing in the household of the user:~~

~~(1) is a certified recipient of Supplemental Security Income;~~

~~(2) is an aged, blind, or disabled Medicaid recipient; or~~

~~(3) has been receiving, within the twelve months immediately preceding the request, assistance under one of the Travis County Energy Assistance Programs or the Austin/Travis County Medical Assistance Program.~~

~~(C)~~] The reduced charge is available annually on the utility customer's [~~user's~~] submission of proof of continuing eligibility.

(C)[~~(D)~~] The reduced charge is prospective only and must be requested by the utility customer [~~user~~]. The director may not refund any drainage charges under this section.

(D)[~~(E)~~] The reduced charge under this Section [~~section~~] shall be set by ordinance. A utility customer [~~user~~] may receive only the most recently authorized reduction.

PART 15. City Code Section 15-2-18 (*No Waiver of Immunity*) is renumbered as City Code Section 15-2-15.

City of Austin
Neighborhood Housing and Community Development Office
P.O. Box 1088, Austin, TX 78767-1088
(512) 974-3100 | Fax (512) 974-3112 | www.cityofaustin.org/housing

Affordability Impact Statement Request Form

Department/Organization Requesting AIS: Watershed Protection Department

Staff Contact: Craig Bell

Date Requested: 4/13/2015

Summary of proposed rule, ordinance, or process:
Proposal is to revise the way the storm water drainage charge is calculated and assessed. It will be calculated the same way for all properties citywide regardless of land use. And the charge will be proportional to the impact that each specific property has on the City's drainage system. It will be based on (1) the amount of impervious area on the property; and (2) the percentage of the total property area that is covered by impervious surfaces.

Possible impacts to Household Affordability or the development of affordable housing:
Because multi-family properties are currently charged by dwelling unit the same as single family (except if 7 stories high, only charged half), the proposed drainage charge for multi-family properties will tend to be lower, per property and per dwelling unit, than the current charge. Many single-family residents, especially those with large houses, could see increased charges, while those with smaller homes could see reduced charges.

List of Attached Supplementary Materials:
Memo to Mayor and Council
Proposed Ordinance

Stakeholder input that informed the proposed item:
Various Neighborhood Associations, Austin Apartment Association, Building Owners and Managers Association, Real Estate Council of Austin, Downtown Austin Alliance Policy Committee, Austin Neighborhood Council, Union Pacific Railroad, Home Builder Assoc. of Greater Austin

Would you like to request a meeting with staff? If yes, estimated week of meeting: Done 4/13/15

Date of first External Stakeholder Discussion: December 18, 2014
Date of Final External Stakeholder Review: ongoing
Date of City Council Action: May 21, 2015

Additional Review Dates (leave blank for NHCD Staff):

Received by: