



SOUTH FEATHER WATER & POWER

TO: Board of Directors

FROM: Michael Glaze, General Manager

DATE: September 11, 2006

RE: Implementing SB 1087 – Water Service Priority for Affordable Housing
Agenda Item for 9/26/05 Board of Directors Meeting

The attached letter from attorney Michael Sexton will explain the need for the following recommended action:

"I move adoption of Resolution 06-9-3 adopting policies and procedures for providing priority service to affordable housing projects."

RESOLUTION 06-9-3
South Feather Water and Power Agency

**ADOPTING POLICIES AND PROCEDURES FOR
PROVIDING PRIORITY SERVICE TO AFFORDABLE HOUSING PROJECTS**

WHEREAS, Government Code Section 65589.7 requires public agencies that provide water or sewer services to adopt written policies and procedures with specific objective standards for providing priority service to developments that include housing units affordable to lower income households, and to update those policies once every five years.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the South Feather Water and Power Agency hereby adopts the following policy for providing priority service to affordable housing projects.

General Policy No. 170 – Providing Priority Service to Affordable Housing Projects

1. In the event the Agency experiences water service limitations due to a water shortage emergency as defined in Water Code Section 350, or water treatment or distribution capacity; or regulatory restrictions, the Agency shall, to the extent reasonably feasible, grant priority to proposed developments that include housing units affordable to lower income households as defined in Government Code Section 65589.7(d).
2. In meeting its obligations under Government Code Section 65589.7 to provide priority water for proposed developments that include housing units affordable to lower income households, the Agency shall take into account (i) the housing element of the plan adopted by each county or city within the Agency's boundaries, and (ii) other plans, documents, and information that provide a reasonable basis for making service determinations.
3. The Agency shall not (i) deny applications for proposed developments that include housing units affordable to lower households, (ii) deny or condition the approval of an application for such services, or (iii) reduce the amount of services applied for unless the Agency makes specific written findings that the denial, condition, or reduction is necessary due to the existence of one or more of the following:
 - a. Insufficient water supply exists to serve the needs of the proposed development, as demonstrated by a written engineering analysis and report;
 - b. The Agency is subject to a Department of Health Services compliance order that prohibits new water connections; or,
 - c. The applicant has failed to agree to reasonable terms and conditions relating to the provision of service generally applicable to development projects seeking service from the Agency, including, but not limited to, the requirements of local, state or federal laws and regulations or payment of a fee or charge imposed in compliance with Government Code Section 66013.
4. The Agency shall not discriminate in any manner when processing and considering requests for water service for developments that include housing units affordable to lower income households.

5. At such time as the Agency makes specific written findings, in accordance with Section 3, for denial of water service, the Agency shall also, if possible, establish written conditions whereby the applicant can address and remedy the Agency's findings, to the satisfaction of the Agency.

6. On or before July 1, 2011, and at least every five years thereafter, the Agency shall adopt written policies and procedures with specific objective standards for the provision of water service on a priority basis with respect to developments that include housing units affordable to lower income households.

PASSED AND ADOPTED this 26th day of September 2006, by the following vote:

AYES: Brown; Cecchi; Edwards; Hunter; Meyer.

NOES: None.

ABSENT: None.

ABSTAIN: None.

Louis F. Cecchi, President

(seal)

ATTEST:

Michael C. Glaze, Secretary

MINASIAN, SPRUANCE,
MEITH, SOARES &
SEXTON, LLP

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September 7, 2006

Public Agency Clients

RECEIVED

Re: Senate Bill 1087-Water and Sewer Service Priority for Housing
Affordable to Lower Income Households

SEP 11 2006

S.F.W.P.
OROVILLE OFFICE

Ladies & Gentlemen:

Starting approximately May, 2006, many of you may have started receiving a memorandum from the California Department of Housing and Community Development, Division of Housing Policy Development discussing obligations of public agencies under Senate Bill 1087 which became effective January 1, 2006.

SB 1087 codified in Government Code §65589.7 requires cities and counties to provide a copy of their adopted housing element to local public agencies that provide water or sewer service. Then, in turn, water and sewer service providers are required to grant priority for service allocations to proposed developments that include housing units affordable to lower income households.

The Legislature expresses its expectation that cities and counties will consult with water and sewer service providers during the development and update of their housing elements and amendments.

SB-1087 imposes a requirement on water and sewer service providers to adopt written policies and procedures that grant priority to proposed development that includes housing affordable to lower income households. Attached for your use is a general form of resolution that can be tailored to your situation and used as your District policy to meet your statutory obligations.

Public Agency Clients

September 7, 2006

Re: Senate Bill 1087-Water and Sewer Service Priority for Housing Affordable to Lower Income Households

Page 2.

Please contact your contact person at the firm to discuss specifics so that we can tailor the policy resolution to your specific circumstances.

Very truly yours,

**MINASIAN, SPRUANCE, MEITH,
SOARES & SEXTON, LLP**

By: _____



MICHAEL V. SEXTON

MVS:aw

Encl.

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