

I N T E R

O F F I C E

MEMO

Office of the Mayor

To: City Council Members
From: John R. Pick *JK*
Subject: Policy on Waiver of Capacity Fee for Affordable Housing Projects
Date: February 22, 2005

In adopting the Water and Sewer Extension Ordinance last December, the Council made provision for the adoption of a policy providing for the waiver of the Comprehensive Connection Charge to encourage development or redevelopment that is consistent with the City's goals. Pursuant to that provision, attached is a resolution that would permit the waiver of the Capacity Fee for public sponsored or affordable housing projects. Provision of affordable housing is one of the goals that has been enunciated by the Mayor and Council.

This policy defines public sponsored and affordable housing as follows:

"Public sponsored or affordable housing" means any dwelling unit built or financed under a government program, regulation, or binding agreement that limits for at least ten years the price or rent charged for the unit in order to make the unit affordable to households earning less than 60% of the area median income, adjusted for family size

The policy also provides for such waiver to be granted upon the review by the Director of Public Works of an application to confirm that the project meets the definition set forth in the policy.

If you have any questions, please let me know.

cc: Mayor Tilghman
John Jacobs
John Cawley
Brenda Colegrove

RESOLUTION NO. 1211

A RESOLUTION OF THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND
ADOPTING A POLICY TO PROVIDE DEFERRALS OF THE WATER AND SEWER
CAPACITY FEE FOR PUBLIC SPONSORED OR AFFORDABLE HOUSING PROJECTS

WHEREAS, the City Council has adopted a water and sewer extension policy which provides for a capacity fee to be imposed on all new development that connects to the City's water and sewer systems; and

WHEREAS, the imposition of that fee on public sponsored or affordable housing projects may make it difficult or impossible for those projects to achieve their goal of providing affordable housing; and

WHEREAS, one of the City's goals is to encourage the development of affordable housing in Salisbury; and

WHEREAS, the water and sewer extension policy provides that the City Council may adopt a policy to provide deferrals of the water and sewer comprehensive connection charge to encourage development and redevelopment that is consistent with the City's goals;

NOW, THEREFORE, BE IT RESOLVED that the Salisbury City Council adopts the following policy to provide deferrals of the water and sewer capacity fee for public sponsored or affordable housing projects:

- 1) The Water and Sewer Capacity Fee may be waived for any public sponsored or affordable housing project upon the submission of an application for the waiver to the Director of Public Works.
- 2) "Public sponsored or affordable housing" means any dwelling unit built or financed under a government program, regulation, or binding agreement that limits for at least ten years the price or rent charged for the unit in order to make the unit affordable to households earning less than 60% of the area median income, adjusted for family size.
- 3) The Director of Public Works shall review any application for such waiver and shall approve the waiver provided that the project meets the above definition.

THE ABOVE RESOLUTION was introduced and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on ____ day of _____, 2005 and is to become effective immediately upon adoption.

ATTEST:

Brenda J. Colegrove
CITY CLERK

Michael P. Dunn
PRESIDENT, City Council

APPROVED BY ME THIS

_____ day of _____, 2005

Barrie P. Tilghman
MAYOR, City of Salisbury