

## **Chapter 5**

### **Deferral and Waiver Programs**

#### **5.01 Deferral of Residential Connection Fees**

##### **5.01.01 Title**

This Section shall be known and cited as the Deferral of Residential Connection Fees.

##### **5.01.02 Purpose**

The Board of Directors of the Sacramento Regional County Sanitation District desires to encourage the construction of residential developments within the District. The Board of Directors finds that the early payment of certain impact fees for residential development creates a barrier to such development and desires, by the adoption of this Section, to ease such barrier by deferring the time for payment of certain fees.

##### **5.01.03 Applicable Fee Programs**

Notwithstanding any other provision of this or other ordinance, upon application and approval pursuant to Section 5.01.04 of this Section, a Qualified Residential Project shall pay and the following fees shall be collected pursuant to the provisions of this Section District connection fees except to the extent that such fees are ordinarily collected at other than issuance of a building permit.

##### **5.01.04 Fee Deferral Program**

- (a) A residential development project may file an application with the District Engineer to request deferral of any of those fees enumerated in Section 5.01.03 of this Section.
- (b) At the time of building permit issuance, the Applicant shall pay ten percent (10%) of the amount of all fees included in the application request for each individual lot for which a building permit is sought. Said payment shall be in addition to any and all required fee deferral application and administrative processing fees.
- (c) Deferral of fees pursuant to this Section shall be acknowledged by a recordable memorandum or other writing satisfactory to the District Engineer and approved by the County Counsel. Said memorandum shall be recorded prior to issuance of building permits.
- (d) All of the following requirements must be satisfied prior to approval of a fee deferral:
  - (1) Submittal to the District Engineer of a complete application;
  - (2) Deposit of all fees pursuant to Section 5.01.07; and
  - (3) Recordation of memorandum pursuant to subsection (c).
- (e) Fees that are approved for deferral for a single-family residential project pursuant to this Section shall be due and payable at the close of escrow of each individual lot within the project. The maximum fee deferral period for any and all lots within a single-family residential project is fifteen (15) months from the date of issuance of permits subject to fee deferral. If not paid within the maximum fee deferral period, interest penalties shall apply pursuant to Section 5.01.05 and payment of the fees deferred shall be undertaken

- pursuant to the provisions set forth in the executed memorandum agreement entered into for the subject property pursuant to subsection (c).
- (f) Fees that are approved for deferral for a multi-family residential project pursuant to this Section shall be due and payable upon the close of permanent loan financing. The maximum fee deferral period is fifteen (15) months from the date of issuance of permits subject to fee deferral. If not paid within the maximum fee deferral period, interest penalties shall apply pursuant to Section 5.01.05 and payment of the fees deferred shall be undertaken pursuant to the provisions set forth in the executed agreement entered into for the subject property pursuant to subsection (c).
  - (g) The approval of a fee deferral pursuant to this Section for a residential project shall not be transferable to another project regardless of whether the Applicant is the same for both projects or whether the other project is also a qualified residential project.

#### **5.01.05 Interest**

For residential projects, which have been approved for a deferral of fees pursuant to this Section, no interest shall accrue during the period of deferral; provided, however, that in the event fees are not paid at the time required by this Section, a penalty equal to the annual rate of interest earned by the Treasurer of the County of Sacramento on the investment of pooled funds on that amount of disqualified deferred fees, computed from the date of execution of the deferral agreement to the time of payment shall be due and payable.

#### **5.01.06 Fee Increases**

Deferred fees shall be paid on the rate or rates applicable at time of payment.

#### **5.01.07 Fee Deferral Application and Administrative Processing Fees**

A non-refundable administrative processing fee of \$275.00 is hereby established for payment at the time of each individual building permit issuance for the purpose of funding the costs of administering the fee deferral program established by this Section. These fees may from time to time be amended by resolution of the Board of Directors. In the event such fees are also paid for deferral of County of Sacramento fees, no additional application or processing fees shall be paid pursuant to this section.

#### **5.01.08 Recordation Costs**

All costs of recordation of documents required pursuant to this Section shall be paid by the Applicant.

### **5.02 Waiver of Sewer Impact Fees for Certain Residential Development Projects**

The Board of Directors of the Sacramento Regional County Sanitation District ordains as follows:

#### **5.02.01 Purpose**

The Board of Directors of the Sacramento Regional County Sanitation District desires to support the construction of residential projects which will provide units with Affordable Rents or Affordable Housing Costs for Very Low Income Households in the District's Service Area. The Board of Directors finds that the payment of Sewer Impact Fees for this residential development creates a barrier to such development.

The Board of Directors desires, by the adoption of this Section, to ease such a barrier by waiving the payment of Sewer Impact Fees for a set number of units that will provide Affordable Rents or Affordable Housing Costs for Very Low Income Households. The Board of Directors finds that this waiver program is consistent with the policies and goals of the General Plan Housing Elements of the District's contributing agencies and is necessary for the health and welfare of the District's residents.

### 5.02.02 Applicable Fee Programs

Notwithstanding any other ordinance of the Sacramento Regional County Sanitation District (hereinafter "District"), upon application and approval pursuant to Sections 5.02.04 and 5.02.05 of this Section, Sewer Impact Fees shall be paid and collected for Qualified Residential Projects pursuant to the provisions of this Section.

### 5.02.03 Fee Waiver Program

- (a) **Application.** Only a Qualified Residential Project with a Certification Letter shall be eligible for waiver of any of those fees enumerated in Section 5.02.02. Said fees shall be waived in an amount proportional to the percentage of units affordable to Very Low Income Households. The Certification Letter shall specify the Very Low Income percentage for each individual project and shall be included in the fee waiver application prior to acceptance thereof.
- (b) **Security – Deed of Trust.** Security shall be required for fee waiver applications for the sole purpose of ensuring a method of recovery of those fees waived, in the event a residential development project fails to provide the percentages of Affordable Rents or Affordable Housing Costs for Very Low Income Households for which a fee waiver was sought. Said security shall be in the form of a promissory note secured by a deed of trust encumbering each parcel of record owned by the Applicant that is included in the Qualified Residential Project. Said deed of trust shall be recorded for all Sewer Impact Fees for which a waiver is requested pursuant to this Section. The promissory note and deed of trust shall be in a form satisfactory to the District Engineer and approved by the District Counsel. Said deed of trust shall be secondary only to deeds of trust associated with acquisition or construction financing and to any regulatory agreement executed with a governmental agency for purposes of providing housing for Low Income Households and Very Low Income Households. Said deed of trust shall be recorded prior to issuance of building permits. Provided, however, to allow timely construction in the event of unanticipated consequences, an Applicant may pay one hundred percent (100%) of fees to obtain issuance of building permits. Thereafter, upon approval of the Administrator and upon recordation of the fee waiver Agreement and deed of trust, the Applicant may be eligible for refund of the fees so paid, which shall thereafter be subject to the terms of the fee waiver Agreement.
- (c) **Annual Cap.** All fee waiver applications shall be subject to the cap provisions set forth in Section 5.02.05. No fee waiver applications will be accepted if the cap, as set forth in Section 5.02.05, has been reached for the Fiscal Year in which a fee waiver application is submitted. No waiting lists will be maintained by the District.
- (d) **Other Requirements.** All of the following requirements must be satisfied prior to approval of a fee waiver:
  - (1) submittal to the District of a complete application, including a Certification Letter and a preliminary title report;
  - (2) deposit of all application and administrative fees pursuant to Section 5.02.08;
  - (3) recordation of the deed of trust pursuant to subsection (c); and

- (4) execution and recordation of waiver and subordination Agreement.
- (e) **Release.** For a single-family Qualified Residential Project, a partial release (reconveyance) from the deed of trust securing the promissory note per individual unit shall be executed by the District upon receipt of written request from the title company handling the escrow of said unit and the Administrator's receipt of the Release From SHRA or West Sacramento Agency. For multi-family Qualified Residential Projects, a release from the deed of trust shall be executed by the District upon receipt of written request from the title company handling the permanent loan financing and the Administrator's receipt of the Release From SHRA or Agency of West Sacramento.
- (f) **Failure to Provide Affordable Housing.** Notification to the Administrator by SHRA or West Sacramento Agency of failure of any single or multi-family residential project to provide the percentages of Affordable Rents or Affordable Housing Costs for Very Low Income Households for which a fee waiver was sought pursuant to this Section shall result in the imposition of interest penalties calculated from the date of recordation of the fee waiver Agreement pursuant to Section 5.02.06 to the date of payment of the fees secured by the deed of trust pursuant to the provisions set forth in the executed Agreement.
- (g) **Waiver Non-Transferable.** The approval of a fee waiver pursuant to this Section for a Qualified Residential Project shall not be transferrable to another project regardless of whether the Applicant is the same for both projects or the other project is also a Qualified Residential Project.
- (h) **Waiver Compliance Period (24 Months).** A fee waiver shall be valid for a maximum twenty-four (24) months from the date of recordation of the Agreement and deed of trust. If the Administrator does not receive either of the following by the last day of the twenty-four (24) month period, all fees shall be due and payable pursuant to the provisions of the fee waiver Agreement and shall be subject to the interest provisions of Section 5.02.06:
- 1) a Release From SHRA or West Sacramento Agency, or
  - 2) notification from SHRA or West Sacramento Agency that the Qualified Residential Project continues under construction with an estimated completion date within an additional twelve (12) month period.
- If the latter notification from SHRA or West Sacramento Agency is provided to the Administrator, a Release From SHRA or West Sacramento Agency must subsequently be provided to the Administrator not later than the last day of the additional twelve (12) month period to avoid all fees becoming due and payable with the imposition of interest pursuant to the fee waiver Agreement.
- (i) **Mixed Affordable and Market-Rate Projects.** In the event that a single-family Qualified Residential Project plans to sell or rent units both at market rate and for Very Low Income Households, the Applicant shall submit a copy of the tentative or final subdivision or parcel map for said single-family Qualified Residential Project identifying all units for which a waiver is sought pursuant to this Section. The tentative or final subdivision or parcel map shall be submitted with the fee waiver application. Prior to final map recordation, subsequent one-for-one changes of the identification of market rate and Very Low Income household units on the tentative subdivision or parcel map shall require prior written approval of the District Engineer and shall be permitted only if the same deed of trust encumbers both of the lots for which the change is requested and provided that the percentage of Very Low Income household units as set forth in the fee waiver application for said single-family Qualified Residential Project and the accompanying Certification Letter is not increased or decreased. Final map recordation of the tentative subdivision map shall be required to be in substantial conformance with the

entire tentative subdivision map per Government Code Section 66442. Subsequent to final map recordation, one-for-one changes shall require prior written approval of the District Engineer and shall be permitted only if the same deed of trust encumbers both of the lots for which the change is requested and provided that the percentage of Very Low Income household units as set forth in the fee waiver application for the entire single-family Qualified Residential Project and the accompanying Certification Letter is not increased or decreased.

#### **5.02.04 Waiver and Subordination Agreements**

- (a) Upon verification by the District Engineer of receipt of a complete application, the Applicant shall enter into a waiver Agreement with the District in a form satisfactory to the District Engineer and approved by the District Counsel. Such Agreement shall, at a minimum, be site specific and provide for the enforcement of the provisions of this Section and shall be recorded with the applicable County Recorder's Office. A single Agreement shall be entered into for each project whether or not the Applicant is the same for multiple projects. In addition, the Applicant shall execute a separate subordination Agreement for each encumbrance or deed of trust other than one which secures repayment of acquisition or Construction financing and other than for a regulatory agreement with a governmental agency for purposes of providing housing for Low Income Households and Very Low Income Households existing at the time of recordation of the waiver Agreement.
- (b) An Applicant submitting an application for both deferral of fees pursuant to the District's Deferral of Sewer Impact Fees for Certain Residential Development Projects Section and waiver of fees pursuant to this Section shall enter into one Agreement for both the deferral and waiver of fees. Said Agreement shall provide for the enforcement of the provisions of the District Waiver of Sewer Impact Fees for Certain Residential Development Projects Section and this Section and shall be recorded with the applicable County Recorder's Office.
- (c) Authority to execute Agreements entered into pursuant to this Section on behalf of the District is hereby delegated to the District Engineer, subject to approval of the District counsel as to form.

#### **5.02.05 Fee Waiver Cap**

- (a) The total number of fee waivers to be approved by the District shall be capped annually at 200 dwelling units or five percent (5%) of the number of dwelling units for which residential building permits for new construction were issued in the unincorporated area of the County in the previous Fiscal Year, whichever is greater. Calculation of the annual number of dwelling units shall be based on the District's Fiscal Year.
- (b) For purposes of calculation of the cap, the date of the Certification Letter shall determine in which Fiscal Year the dwelling units for a particular Qualified Residential Project will be included. For the sole purpose of calculation of the cap, SHRA or West Sacramento Agency may, with the prior approval of the District Engineer, substitute a Certification Letter for a new Qualified Residential Project or another Qualified Residential Project which already has a Certification Letter on file with the District only if this substitution occurs prior to the recordation of the fee waiver Agreement or fee deferral and waiver Agreement for the Qualified Residential Project already on file with the District. No substitutions whatsoever shall occur after recordation of the fee waiver Agreement.
- (c) Failure to reach the cap in a particular Fiscal Year shall not result in a rollover of the surplus dwelling units to the next Fiscal Year.

- (d) A Qualified Residential Project, which does not execute the fee waiver Agreement or fee deferral and waiver Agreement within the Fiscal Year for which it has qualified under the cap, may, with prior written notification to the District Engineer, roll-over the Certification Letter until the end of the subsequent Fiscal Year. The rollover shall not be counted toward the subsequent Fiscal Year calculation of the cap. No additional extensions shall be permitted. Failure of a Qualified Residential Project or execute the waiver Agreement or deferral and waiver Agreement within the extension period of time provided for in this subsection shall result in the purging of the Certification Letter for said project from the District files. Ensuing requests for a fee waiver for the same project shall require the re-submittal of new documentation, including a new application and Certification Letter and payment of new application and administrative fees. Re-submittal shall be given no priority over new applications for a fee waiver and shall be subject to the provisions of the cap set forth in this Section in the same manner as new applications.
- (e) Failure of a particular Applicant to satisfy the requirements set forth in this Section for the Fee Waiver Program subsequent to recordation of a waiver Agreement or deferral and waiver Agreement shall not result in the replacement of those dwelling units into the pool of dwelling units available pursuant to the cap in a particular Fiscal Year.
- (f) Fee waivers will be allocated between the County of Sacramento and the City of West Sacramento at a ratio equal to each entity's contribution toward the District's total annual monthly service charge revenue. The allocation will be reestablished every two years.

#### **5.02.06 Interest**

- (a) For Qualified Residential Projects which have been approved for a waiver of fees or a combination deferral and waiver of fees pursuant to this Section, no interest shall accrue during the twenty-four (24) months immediately following recordation of the Agreement and deed of trust. In the event that an Applicant fails to provide the percentage of Very Low income units approved in the fee waiver application, an interest penalty equal to the annual rate of interest earned by the Treasurer of the County of Sacramento on the investment of pooled funds on that amount of disqualified waived fees, computed from the date of recordation of the fee waiver or fee deferral and waiver Agreement, shall be assessed and shall be due and payable pursuant to the provisions of the Agreement entered into for the subject project pursuant to Section 5.02.04.
- (b) If SHRA or West Sacramento Agency provides notification to the Administrator not later than the last day of the above-referenced twenty-four (24) month period that the Qualified Residential Project continues under construction with an estimated completion date within an additional twelve (12) months, the above-referenced twenty-four (24) month period shall be extended to completion of construction or for an additional twelve (12) months, whichever is earlier.

#### **5.02.07 Fee Increases**

Fees which qualify for a fee waiver shall not be subject to fee increases which may occur from the date of recordation of the Agreement required pursuant to Section 5.02.04 to the end of the maximum waiver compliance period permitted under this Section. However, subsequent applications for the same Qualified Residential Project shall be subject to the fee rate in effect at the time of submittal of the subsequent application.

#### **5.02.08 Fee Waiver Application and Administrative Processing Fees**

A non-refundable fee waiver application fee as follows is hereby established and shall be paid at the time of application for a fee waiver pursuant to this Section for the purpose of funding the costs of administering the fee waiver program established by this Section. This fee may from time to time be revised by resolution of the Board of Directors to recover the costs of administering the program. The Administrator may utilize an application form combined with other local governmental agencies which have enacted identical or substantially similar programs which are administered by the County of Sacramento or the West Sacramento Agency and for which the County of Sacramento acts as fiscal agent. The fee shall be \$1,000.00 for one governmental agency included in the application, and the fee shall increase by \$275.00 for each additional governmental agency included in the application.

#### **5.02.9 Recordation Costs**

All costs of recordation of documents required pursuant to this Section shall be paid by the Applicant.

#### **5.02.10 Reporting Requirements**

The Administrator, or his/her designee, shall provide semi-annual reports to the District that identifies the projects that received a Sewer Impact Fee deferral/waiver, or have a pending application for such benefit, including the total value, or anticipated value, of said Sewer Impact Fees on a form provided by the District.

### **5.03 Deferral of Sewer Impact Fees for Certain Residential Development Projects**

#### **5.03.01 Purpose**

The Board of Directors of the Sacramento Regional County Sanitation District (hereinafter "District") desires to support the construction of residential projects which will provide units with Affordable Rents or Affordable Housing Costs for low and Very Low Income Households in the District's Service Area. The Board of Directors finds that the early payment of regional Sewer Impact Fees for residential development creates a barrier to such development and desires, by the adoption of this Section, to ease such barrier by deferring the time for payment of such fees. The Board of Directors finds that this deferral program is consistent with the goals and the General Plan Housing Elements of the District's contributing agencies and is necessary for the health and welfare of the District's residents.

#### **5.03.02 Applicable Fee Programs**

Notwithstanding any other Ordinance of the District, upon application and approval pursuant to Sections 5.03.03 and 5.03.04 of this Section, regional Sewer Impact Fees shall be paid and collected for Qualified Residential Projects pursuant to the provisions of this Section.

#### **5.03.03 Fee Deferral Program**

- a) APPLICATION. A Qualified Residential Project may file an application with the District to request deferral of any of those fees enumerated in Section 2 of this Section. The specific percentage of Low or Very Low Income units, or both, to be offered in a residential development project must be certified by SHRA or West Sacramento Agency and included in the fee deferral application prior to acceptance thereof.
- b) TEN PERCENT DOWN PAYMENT. At the time of building permit issuance, the Applicant shall pay ten percent (10%) of the amount of all fees included in the application request for each individual lot for which a building permit is sought. Said

- payment shall be in addition to any and all required fee deferral application and administrative processing fees.
- c) **SECURITY DEED OF TRUST.** Security for the deferral of fees pursuant to this Section shall be in the form of a promissory note secured by a deed of trust encumbering each parcel of record owned by the Applicant that is included in the Qualified Residential Project. The promissory note and deed of trust shall be in a form satisfactory to the District Engineer and approved by the District Counsel. Said deed of trust shall be secondary only to deeds of trust associated with acquisition or construction financing and to any regulatory agreement executed with a governmental agency for purposes of providing housing for Low Income Households and Very Low Income Households. Said deed of trust shall be recorded prior to issuance of building permits. Provided, however, to allow timely construction in the event of unanticipated consequences; an Applicant may pay one hundred percent (100%) of fees to obtain issuance of building permits. Thereafter, within (6) months of Applicant's payment of fees and upon fulfillment of all other requirements of this Section the Applicant shall be eligible for refund of ninety percent (90%) of the fees so paid with such ninety percent (90%) deferred and payable in accordance with the fee deferral Agreement.
  - d) **OTHER REQUIREMENTS.** All of the following requirements must be satisfied prior to approval of a fee deferral:
    - (1) submittal to the District of a complete application, including a Certification Letter and a preliminary title report;
    - (2) deposit of all application and administrative fees pursuant to Section 8;
    - (3) recordation of the deed of trust pursuant to subsection (c); and
    - (4) execution and recordation of a deferral Agreement.
  - e) **SINGLE-FAMILY DEFERRAL PERIOD (24 MONTHS), INTEREST PENALTIES.** Fees that are approved for deferral for a single-family residential project pursuant to this Section shall be due and payable at the close of escrow of each individual lot within the project. The maximum fee deferral period for any and all lots within a single-family residential project is twenty-four (24) months from the date of recordation of the Agreement and deed of trust. If not paid within the maximum fee deferral period, interest penalties shall apply pursuant to Section 6 and payment of the fees secured by the deed of trust shall be undertaken pursuant to the provisions set forth in the executed Agreement.
  - f) **MULTI-FAMILY DEFERRAL PERIOD (24 MONTHS), INTEREST PENALTIES.** Fees that are approved for deferral for a multi-family residential project pursuant to this Section shall be due and payable upon the close of permanent loan financing. The maximum fee deferral period is twenty-four (24) months from the date of recordation of the Agreement and deed of trust. If not paid within the maximum fee deferral period, interest penalties shall apply pursuant to Section 6 and payment of the fees secured by the deed of trust shall be undertaken pursuant to the provisions set forth in the executed Agreement.
  - g) **PARTIAL RECONVEYANCES.** For a single-family Qualified Residential Project, a partial release (reconveyance) from the deed of trust per individual unit shall be executed by the District upon receipt of written request from the title company handling the escrow of said unit and the Administrator's receipt of the Release From SHRA. For multifamily Qualified Residential Projects, a release from the deed of trust shall be executed by the District upon receipt of written request from the title company handling the permanent loan financing and the Administrator's receipt of the Release From SHRA.
  - h) **FAILURE TO PROVIDE AFFORDABLE HOUSING.** Notification to the Administrator by SHRA or West Sacramento Agency of failure of a single or multi-family residential project to sell or rent the percentages of Affordable Rents or Affordable Housing Costs for Very Low Income Households or Low Income Households for which a fee deferral was approved pursuant to this Section shall result in the imposition of interest penalties calculated from the date of recordation of the fee deferral Agreement pursuant to Section

6 to the date of payment of the fees secured by the deed of trust pursuant to the provisions set forth in the executed Agreement.

- i) DEFERRAL NON-TRANSFERABLE. The approval of a fee deferral pursuant to this Section for a Qualified Residential Project shall not be transferable to another project regardless of whether the Applicant is the same for both projects or whether the other project is also a Qualified Residential Project.
- j) MIXED AFFORDABLE AND MARKET-RATE PROJECTS. In the event that a single-family Qualified Residential Project plans to sell or rent units both at market rate and for Low Income Households, the Applicant shall submit a copy of the tentative or final subdivision or parcel map for said single-family Qualified Residential Project identifying all units for which a deferral is sought pursuant to this Section. The tentative or final subdivision or parcel map shall be submitted with the fee deferral application. Prior to final map recordation, subsequent one-for-one changes of the identification of market rate and Low Income household units on the tentative subdivision or parcel map shall require prior written approval of the District Engineer and shall be permitted only if the same deed of trust encumbers both of the lots for which the change is requested and provided that the percentage of Low Income household units as set forth in the fee deferral application for said single-family Qualified Residential Project and the accompanying Certification Letter is not increased or decreased. Final map recordation of the tentative subdivision map shall be required to be in substantial conformance with the entire tentative subdivision map per Government Code section 66442. Subsequent to final map recordation, one-for-one changes shall require prior written approval of the District Engineer and shall be permitted only if the same deed of trust encumbers both of the lots for which the change is requested and provided that the percentage of Low Income household units as set forth in the fee deferral application for the entire single-family Qualified Residential Project and the accompanying Certification Letter is not increased or decreased.

#### **5.03.04 Deferral and Subordination Agreements**

- a) Upon verification by the District Engineer of receipt of a complete application, the Applicant shall enter into a deferral Agreement in a form satisfactory to the District Engineer and approved by the District Counsel. Such Agreement shall, at a minimum, be site specific and provide for the enforcement of the provisions of this Section and shall be recorded with the applicable County Recorder's Office. A single Agreement shall be entered into for each project whether or not the Applicant is the same for multiple projects. In addition, the Applicant shall execute a separate subordination Agreement for each encumbrance or deed of trust other than one which secures repayment of acquisition or construction financing and other than for a regulatory agreement with a governmental agency for purposes of providing housing for Low Income Households and Very Low Income Households existing at the time of execution of the deferral Agreement. Authority to execute these Agreements on behalf of the District is hereby delegated to the District Engineer, subject to approval of the District Counsel as to form.
- b) An Applicant submitting an application for both waiver of fees pursuant to the District's Waiver of Sewer Impact Fees for Certain Residential Development Projects Section and deferral of fees pursuant to this Section shall enter into one Agreement for both the deferral and waiver of fees. Said Agreement shall provide for the enforcement of the provisions of the Districts Waiver of Sewer Impact Fees for Certain Residential Development Projects Section and this Section and shall be recorded with the applicable County Recorder's Office.

- c) Authority to execute Agreements entered into pursuant to this Section on behalf of the District is hereby delegated to the District Engineer, subject to approval of the District Counsel as to form.

#### **5.03.05 Interest**

- a) For Qualified Residential Projects, which have been approved for a deferral of fees pursuant to this Section, no interest shall accrue during the twenty-four (24) months immediately following recordation of the Agreement and deed of trust. However, in the event that the Applicant fails to provide the percentage of Low or Very Low income units or rentals as stated in the fee deferral application, an interest penalty equal to the annual rate of interest earned by the Treasurer of the County of Sacramento on the investment of pooled funds on that amount of disqualified deferred fees, computed from the date of recordation of the fee deferral, shall be assessed and shall be due and payable pursuant to the provisions of the Agreement.
- b) If SHRA or West Sacramento Agency provides notification to the Administrator not later than the last day of the above-referenced twenty-four (24) month period that the Qualified Residential Project continues under construction with an estimated completion date within an additional twelve (12) months, the above-referenced twenty-four (24) month period shall be extended to completion of construction or for an additional twelve (12) months, whichever is earlier.

#### **5.03.06 Fee Increases**

Fees which qualify for a fee deferral shall not be subject to fee increases which may occur from the date of recordation of the Agreement to the end of the month maximum deferral compliance period permitted under this Section. However, subsequent applications for the same Qualified Residential Project shall be subject to the fee rate in effect at the time of submittal of the subsequent application.

#### **5.03.07 Fee Deferral Application and Administrative Processing Fees**

A non-refundable fee deferral application fee is hereby established and shall be paid at the time of application for a fee deferral pursuant to this Section for the purpose of funding the costs of administering the fee deferral program established by this Section. This fee may from time to time be revised by resolution of the Board of Directors to recover costs of administering the program. The Administrator may utilize an application form combined with other local governmental agencies which have enacted identical or substantially similar programs which are administered by the County and for which the County acts as fiscal agent. The fee shall be \$1,000.00 for one governmental agency included in the application, and the fee shall increase by \$275.00 for each additional governmental agency included in the application.

#### **5.03.08 Recordation Costs**

All costs of recordation of documents required pursuant to this Section shall be paid by the Applicant.

#### **5.03.09 Reporting Requirements**

The Administrator, or his/her designee, shall provide semi-annual reports to the District that identifies the projects that received a Sewer Impact Fee deferral/waiver, or have a pending application for such benefit, including the total value, or anticipated value, of said Sewer Impact Fees on a form provided by the District.

## **5.04 Deferral of Impact Fees for New/Expanding Businesses**

### **5.04.01 Purpose**

The Board of Directors of the Sacramento Regional District Sanitation District desires to stimulate and encourage all aspects of economic development within the District, particularly such development that will result in long-term commitments which will create jobs and provide economic stimuli for the benefit of all of the District's residents. The Board of Directors finds that the early payment of regional connection fees for non-residential development creates a barrier to such development and desires, by the adoption of this Section, to ease such barrier by deferring the time for payment of such fees. The Board of Directors previously adopted an ordinance for the deferral of certain fees which ordinance provided that it would no longer be in effect unless reenacted, and it is desirable that the fee deferral program continue.

### **5.04.02 Applicable Fee Programs**

Notwithstanding any other ordinance of the District, upon application and approval of security pursuant to Section 5.04.03(b) of this Subsection, regional connection fees shall be paid and collected pursuant to the provisions of this Section.

### **5.04.03 Application and Security**

- (a) Any person proposing to construct commercial or industrial improvements upon real property located within the territory of the Sacramento Regional County Sanitation District may apply to defer payment of applicable fee pursuant to the provisions of this Section.
- (b) At the time of application, the Applicant shall pay twenty percent (20%) of the amount of fees which would otherwise be payable at the time of application to connect to District facilities. The Applicant shall also, at such time, provide security for the payment of the fees to be deferred. Such security shall be subject to the approval of the District Engineer or his designee and shall, subject to such approval, consist of one or more of the following:
  - (1) Assigned passbook or certificate of deposit;
  - (2) Irrevocable letter of credit;
  - (3) Surety bond;
  - (4) Lien against the property; or
  - (5) Negotiable securities if approved by the Board of Directors.
- (c) The application shall state the time for which fees are requested to be deferred. Fees may be deferred pursuant to this Section to issuance of a certificate of occupancy; to close of escrow; or, for not less than one nor more than five years. If fees are to be deferred to issuance of a certificate of occupancy or to close of escrow, the deferral agreement required by Section 5.04.04 shall include a provision requiring payment at such times or at a time certain, whichever occurs first.

### **5.04.04 Deferral Agreements**

Upon approval of an application, the Applicant shall enter into a deferral agreement with the District in a form satisfactory to the District Engineer and approved by the District Counsel. Such agreement shall, at a minimum, be site specific and provide for the enforcement of the provisions of this Section. A single agreement shall be entered for each project whether or not the Applicant is the same for multiple projects. Authority to execute such agreements on behalf of the District is hereby delegated to the District Engineer.

#### **5.04.05 Time of Payment**

Upon approval of an application for fee deferral, deposit of approved security and execution of a deferral agreement, fees to be deferred pursuant to this Section shall be payable and collected in the manner as set forth in the application and deferral agreement. If not paid within the time required, the District shall enforce the security provided pursuant to Section 5.04.03.

#### **5.04.06 Interest**

- (a) Unless waived as provided in subdivision (b) of this Section, interest shall be charged on all amounts deferred pursuant to this Section in an amount equal to the annual rate of interest earned by the Treasurer of the County of Sacramento on the investment of pooled funds.
- (b) If the Applicant is a targeted company, or agent for a targeted company, interest on amounts deferred shall be waived. A targeted company is a company which can demonstrate that it will bring to the territory of the Sacramento Regional county sanitation District fifty (50) or more full-time jobs each paying over \$25,000 per year. The District Engineer, or his designee, is hereby vested with the authority to determine whether an Applicant is a targeted company or is an agent for a targeted company.

#### **5.04.07 Administrative Charge**

The Board of Directors may from time to time, by resolution, establish a fee for payment at time of application for the purpose of funding the costs of administering the fee deferral program established by this Section.