

RESOLUTION NO. 2023-806

A resolution of the City of Gainesville, Florida, amending and restating the ConnectFree Program whereby surcharges collected on water and wastewater connection charges incurred beyond the municipal boundaries are used to assist certain projects, as identified and prioritized in this resolution, with the extension, construction, and connection to the City's water and wastewater systems.

WHEREAS, the City of Gainesville owns, operates, and maintains a utility system that provides electric power, water, wastewater, natural gas, and telecommunication services to a region within and beyond the municipal boundaries of the City; and

WHEREAS, the City, in accordance with Sections 27-128 and 27-169 of the Code of Ordinances, imposes a 25 percent surcharge on water and wastewater connection charges incurred beyond the municipal boundaries of the City ("Surcharges"); and

WHEREAS, in 2016, the City adopted Resolution No. 160146 and re-established the ConnectFree Program, whereby Surcharges would be used to assist with the extension, construction, and connection of certain properties to the City's water and wastewater systems; and

WHEREAS, priority on the use of these funds will be given to projects that yield net new affordable housing units; and

WHEREAS, this resolution amends and restates the ConnectFree Program.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA:

- 1. *Source of Funding.*** All Surcharges collected, in accordance with Sections 27-128 and 27-169 of the Code of Ordinances, on water and wastewater connection charges incurred beyond the municipal boundaries will fund the ConnectFree Program to be administered in accordance with this resolution.
- 2. *Definitions.*** The following terms have the meanings indicated herein in the administration of the ConnectFree Program.
 - a. "*Affordable Housing Units*"** means units that are affordably priced, for at least a five year period beginning when the respective units receive a Certificate of Occupancy, for households with income equal to or less than 120% of the Gainesville Metropolitan Statistical Area (MSA) Area Median Income (AMI), as established by the United States Department of Housing and Urban Development (HUD). Affordably priced means that no more than 30% of household income is spent on housing, including rent or mortgage payments, taxes, insurance, utilities, and property owner association fees.

- b. *"Connection Charges"* means charges that Gainesville Regional Utilities (GRU) charges for new connections to the water and/or wastewater system, which are defined in Sections 27-129 and 27-171 of the Code of Ordinances. Connection Charges may include surcharges for connections outside of the municipal boundaries of the City.
 - c. *"Meter Installation Charges"* means charges that GRU assesses for setting a water meter and service lateral as defined in Section 126.1 of the Code of Ordinances. Meter Installation Charges may include surcharges for connections outside of the municipal boundaries of the City.
 - d. *"On-Site Plumbing Modifications"* means any plumbing work occurring on the applicant's private property necessary for connecting the property to the GRU water or wastewater system, including abandoning septic tanks and/or wells, and extending water and/or wastewater service lines from the existing structure to the GRU connection point (even if that connection point is in the right-of-way).
3. **Limitation on Expenditure of Funds.** For all projects funded by the ConnectFree Program, the expenditure of ConnectFree Program funds is expressly limited to the payment of costs associated with: the engineering design and construction to extend City water/wastewater facilities to the property; Meter Installation Charges; Connection Charges; and ConnectFree Program administrative costs. However, the ConnectFree Program may also fund On-Site Plumbing Modifications only for the following: qualified existing residential single units as described in this resolution; Local Government Area of Opportunity Projects; and State Apartment Incentive Loan Projects.
4. **ConnectFree Program Criteria.** The City Manager or designee(s) shall identify and prioritize projects to receive ConnectFree Program funding in accordance with the following criteria.
- a. **Affordable Housing.** The ConnectFree Program may provide funding to assist Affordable Housing Units located within the Gainesville Regional Utilities (GRU) Service Area.
 - b. **Special Needs Facilities.** The ConnectFree Program may provide funding to assist facilities located within the GRU Service Area that are owned and operated by nonprofit organizations or government entities to benefit special needs populations. Special needs populations include, but are not limited to, elderly persons, disabled persons, homeless persons, veterans, persons with chronic illnesses, at-risk youth, survivors of domestic violence, and persons with addictions.
 - c. **Existing Residential Single Units.** The ConnectFree Program may provide funding to assist existing residential single units located within the GRU service area. Existing owner-occupied residential units with households meeting the criteria for low-income as defined by HUD may receive ConnectFree Program funding for On-Site Plumbing Modifications in addition to funding for the costs otherwise described in Section 3 of this resolution.
 - d. **Neighborhood-Scale Capital Projects.** The ConnectFree Program may provide funding to assist neighborhood-scale projects serving multiple existing residential units, as may be approved by the City Commission on a case-by-case basis to be administered by GRU.

- e. **Septic-to-Sewer.** The ConnectFree Program may provide funding for projects that address environmental problems by converting two or more existing residential units from a septic tank system to the City of Gainesville's centralized wastewater treatment system, as may be approved by the City Commission on a case-by-case basis to be administered by GRU.
 - f. **Funding Set-Asides.** ConnectFree Program funds will be appropriated on an annual basis as follows, but may be reallocated by the City Manager or designee(s) based on actual needs:
 - i 35% - Affordable Housing.
 - ii 30% - Special Needs Facilities, Existing Residential Single Units, and Septic-to-Sewer.
 - iii 20% - Neighborhood-Scale Capital Projects.
 - iv 15% - Administrative costs of the ConnectFree Program.
 - g. **Maximum Funding Limits.** The maximum funding provided will be as follows.
 - i Affordable Housing Units:
 - 1) Local Government Area of Opportunity Projects: The minimum Local Government Contribution required by the Florida Housing Finance Corporation.
 - 2) State Apartment Incentive Loan Projects: The minimum Local Government Contribution required by the Florida Housing Finance Corporation.
 - 3) Single-Family Affordable Housing Developments (new construction): \$40,000 per Affordable Housing Unit.
 - 4) Multi-Family Affordable Housing Developments (new construction): \$40,000 per Affordable Housing Unit.
 - ii Special Needs Facilities: \$40,000 per facility.
 - iii Existing Residential Single Units: \$40,000 per unit. In addition to \$40,000 per unit, existing owner-occupied residential units with households meeting the criteria for low-income as defined by HUD may receive funding for On-Site Plumbing Modifications.
 - iv Neighborhood-Scale Capital Projects: \$15,000 per parcel that is fronted by a water line extension and \$35,000 per parcel that is fronted by a wastewater line extension.
 - v Septic-to-Sewer Projects: \$45,000 per unit.
5. **City Staff Authority.** The City Manager or designee(s) shall administer the ConnectFree Program and disburse all funding in accordance with this resolution. The City Manager or designee(s) and GRU staff may impose reasonable conditions on projects in the awarding of ConnectFree Program funds.
6. **City Commission Approval.** An applicant or project may receive ConnectFree Program funding of \$50,000 or greater only with approval by the City Commission. The City

Commission shall allocate ConnectFree Program funding based on projects that to the greatest practicable extent benefit GRU's water and wastewater systems and otherwise benefit the public health, safety, and welfare within the GRU Service Area. The City Commission may impose reasonable conditions on projects in the awarding of ConnectFree Program funds.

7. Repealing Clause. All resolutions or parts of resolutions in conflict herewith are to the extent of such conflict hereby repealed. Specifically, this resolution supersedes and replaces Resolution No. 201230.

8. Effective Date. This resolution will become effective immediately upon adoption.

PASSED AND ADOPTED this 7th day of September, 2023.



HARVEY L. WARD, JR.
MAYOR

Attest:

Approved as to form and legality:



KRISTEN BRYANT
INTERIM CITY CLERK



DANIEL M. NEE
CITY ATTORNEY