



Legislation Text

File #: 20-299, **Version:** 1

Report regarding a resolution approving an Outside Sewer Service Agreement with the owners of 340 Alta Vista Drive (APN # 013-121-040), and authorizing the City Manager to execute the agreement for recordation.
(*Jason Hallare, Senior Civil Engineer*)

RECOMMENDATION

It is recommended that the City Council adopt a resolution approving an Outside Sewer Service Agreement with the owners of a residential property at 340 Alta Vista Drive (APN # 013-121-040), and authorizing the City Manager to sign the agreement on behalf of the City of South San Francisco and to record the agreement in the San Mateo County official records.

BACKGROUND/DISCUSSION:

The City has received a request from Robert Wong and Sharon Cheong-Wong, owners of an assisted living facility at 340 Alta Vista Drive, to authorize a building expansion and sewer flow increase from the property to the City of South San Francisco's sanitary sewer system. The proposal before the City Council is for the City to authorize the requested sewer connections subject to the terms and conditions in the agreements and to authorize the execution of said agreements.

Location

The property is located within the unincorporated portion of San Mateo County ("County"), commonly known as Country Club Park subdivision. The Property is within the City's Sphere of Influence. There are approximately 56 parcels within this unincorporated area, which falls under the jurisdiction of the County. Country Club Park is designated low density residential in the San Mateo County general plan and is zoned R-E (Rural Estates) in the County's code, which requires $\frac{3}{4}$ acre per lot and allows certain large animals, such as horses and llamas. Homes in the area typically lack sidewalks, curb, and gutter. With a few exceptions, these properties utilize septic systems and are not connected to the City's sewer system or any other sewer system. This creates potential public health problems such as lack of accessible street frontage, aging and overloading septic tanks and leaving residents without effective sewer service.

Property and Permit History

The property currently has an existing sewer permit issued by the City in 1994 (see Attachment 1) and has an existing sewer connection via the sanitary sewer main location in Dorado Way. The existing permit was authorized by the City Council in 1994 and allows for a 35-resident convent and sanctuary. Furthermore, the existing permit states that any other type of facility would need to obtain City approval for sewer service. In 2012 the County approved, with the City's support, a Use Permit to convert the property to a 26-bed assisted living facility on the condition that an Outside Sewer Service Agreement be executed for any sewer flows in excess of the prior approved uses.

The property proposes to expand the facility to 53-beds and increasing the sewer flow generated by the property. Since this expansion exceeds the capacity and flow authorized by the 1994 and 2012 approvals, the increase of sewer flow is subject to the condition that an Outside Sewer Service Agreement be executed. Staff has reviewed the proposal and recommends proceeding with the Outside Sewer Service Agreement.

Outside Sewer Service Agreement

In order to help residents of this area eliminate obsolete septic systems and move forward with property improvements prior to annexation of the County Club Park area to the City, the City has entered into several Outside Sewer Service Agreements with various property owners in this area to permit them to connect to the City's sewer system. Over the years, the City has identified several significant concerns regarding allowing properties outside of the City's jurisdictional boundaries to connect to its sewer system, which are:

- Property owner, as they are located outside the City's boundaries, may potentially object to annexation or oppose the City's efforts to explore annexation of their property area;
- The property owner must be required to pay the full cost of a sewer line extension;
- Property owners must agree to pay the cost of upgrading their property to include sidewalk, curb, and gutter either at the time the connection is made, or in the future if annexation of the area occurs, in order to bring the public facilities serving their property up to the City's standards; and
- Property owners must share equitably in the future costs associated with providing sewer service for the larger unincorporated area.

An outside sewer service agreement has been prepared to address these concerns as outlined below. The City Attorney's Office has prepared an Outside Sewer Service Agreement for the property at 340 Alta Vista Drive, attached to the accompanying resolution as Exhibit A. The proposed agreement will be executed with the property owners Robert Wong and Sharon Cheong-Wong, and the terms of the agreement have been reviewed and accepted by them. The agreement will also be recorded against the property and bind subsequent property owners to comply with the same terms.

The agreement provides that the property and its owner will be bound by the following provisions:

1. Owner consents to future annexation and waives any right to protest such annexation of this property to the City, if and when this occurs;
2. Owner agrees to pay a pro rata share of any future area-wide sewer improvements within the County Club Park subdivision associated with providing wastewater service to this area which intends to proportionately allocate the costs of future area-wide sewer improvements based on the sewer flow on those improvements from the property;
3. Upon future annexation, or sooner, the owner shall upgrade the streetscape for their property to the City's standards. This cost is currently estimated at \$262,000 and the Owner may either construct the upgraded streetscape pursuant to a Deferred Improvement Agreement (attached to the Outside Services Agreement as an exhibit), or pay the public improvements cost for the construction of the upgrades;
4. Owner agrees to pay a one-time sewer connection fee of \$7,653.13;
5. Owner agrees to pay a yearly sewer service charge (estimated at approximately \$4,265 per year, with anticipated annual increases of approximately \$85 per year);
6. Owner will make a deposit of \$9,542 toward an administrative fee of to reimburse the City for staff time to review, process and prepare the application and agreement;
7. Agreement will bind future owners of the property and will be recorded in the County records;
8. Owner agrees that all future development conforms to the relevant height, aircraft noise, and safety policies and compatibility criteria contained in the most recently adopted version of the San Mateo County Comprehensive Airport Land Use Plan for the environs of San Francisco International Airport.

Typically, changes to the provision of public services in unincorporated areas would be under the jurisdiction of the San Mateo Local Agency Formation Commission (LAFCo); however, since the property has an existing Sewer Permit from 1994 prior to LAFCo's formation, LAFCo approval is not required in this case.

Staff notes that the City's General Plan has a policy that Country Club Park should be annexed into the City. Because of piecemeal annexations in the past and the difficulty in providing service and requiring improvements, another policy provides that no portion of the area should be annexed unless the entire area is annexed. Annexation of this area has not occurred since the current General Plan was approved in 2001. Depending upon specific circumstances, the owners of properties on septic systems may not be able to obtain permits from the County to expand or tear down and replace homes unless they can hook up to a sanitary sewer system, leaving these owners unable to significantly improve their properties. Given the changing conditions related to aging septic systems, housing demands, sewer capacity, provision of city services, and population growth, staff will move forward to further study and re-evaluate the annexation policy during the current General Plan renewal process.

It is important to note that this application is not for annexation, only for permission to increase the property's sewer flow on the City's sanitary sewer system. Other properties in the interior of the area are not near existing sewer lines; to extend sewer lines to these homes is a much more expensive proposition.

CEQA:

Sewer extensions are generally categorically exempt from CEQA pursuant to Section 15302, Class 2(c), Replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity. Furthermore, Section 15303, Class 3(d), allows "water main, sewage, electrical, gas and other utility extensions, including street improvements, of reasonable length to serve such construction", which would include "construction and location of limited numbers of new, small facilities or structures". Thus, the proposed sewer flow increase likely would be exempt under these provisions as well. Here, since the subject property is located outside South San Francisco's jurisdiction, the proposed construction and development on these lots will be required obtain planning permits from San Mateo County and comply with San Mateo County Planning requirements. As the lead agency, the County will be responsible for further evaluating future development of these lots, including determining compliance with California Environmental Quality Act (CEQA) regulations.

FISCAL IMPACT:

Pursuant to the terms of the agreement, City staff time will be fully compensated by the property owner-applicants through payment to the City of a \$9,542 administrative fee. Annual revenue of approximately \$750 per year from each property will be generated for the Sewer Fund.

RELATIONSHIP TO STRATEGIC PLAN

This action furthers the initiative of *Community Connections* by enabling these owners to develop their properties and one day to become residents of South San Francisco when the area is annexed in the future.

CONCLUSION

By adopting resolution to approve an Outside Sewer Service Agreement with Robert Wong and Sharon Cheong-Wong for an increased flow into the City's sewer system at 340 Alta Vista Drive in the unincorporated Country Club Park area, the owners would be able to obtain building permits from the County of San Mateo to expand the size of the existing assisted living facility. This action will also secure the owners' agreement not to oppose future annexation. Staff recommends the Council approve the agreement.

Attachments:

1. 1994 Sewer Permit
2. Vicinity Map
3. Site Plan 340 Alta Vista Drive