



MEMORANDUM

To: City of Seguin Mayor and Council
From: Andy Quittner, City Attorney *AQ*
Date: June 10, 2014
Re: Resolution waiving building and permit fees incurred by Habitat for Humanity

Habitat for Humanity provides an invaluable community service by building affordable housing for individuals that qualify under their programs. The new houses also serve as infill development thus providing additional benefit to Seguin citizens. In the past City Council has approved waivers of building and permit fees for Habitat for Humanity (but not impact fees).

Whenever Habitat for Humanity constructs a house on vacant property where no utility services have ever been connected (that is a house has never existed on the property) water and waste water impact fees must be paid. Due to the nature of the laws, including the City's ordinances, governing impact fees, such fees cannot be waived. The City can, however, provide an effective waiver to Habitat for Humanity by transferring the equivalent funds from a city account into the specific impact fee account. In effect this would provide a further benefit for Habitat for Humanity at minimal cost to the City (the City would forego the receipt of funds, but the transfer is merely shifting money from one account to another).

A portion of water impact fees are payable to the Schertz-Seguin Local Government Corporation. The City does not have the authority to waive these fees. Due to the nature of the relationships between the Corporation and its member cities, staff does not recommend that these fees be waived.

The Resolution under consideration would waive building and permit fees for up to two houses per year. The Resolution provides that the City would cover its water and wastewater impact fees through fund transfers, providing Habitat for Humanity with additional savings. Habitat for Humanity will, however, still need to pay that portion of the water impact fee attributable to the Schertz-Seguin Local Government Corporation.