

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SUNNYVALE APPROVING A POLICY TO PRIORITIZE
WATER AND SEWER SERVICES FOR PROPOSED
DEVELOPMENTS THAT INCLUDE HOUSING UNITS
AFFORDABLE TO LOWER-INCOME HOUSEHOLDS**

WHEREAS, the California State Legislature (“Legislature”) has declared the lack of affordable housing is a matter of vital statewide importance; and

WHEREAS, the Legislature enacted Chapter 727, Statutes of 2005 (Senate Bill 1087), which amended Government Code Section 65589.7 and requires water and sewer providers to grant priority for water and sewer service to proposed developments that include housing units affordable to lower-income households; and

WHEREAS, Government Code Section 65589.7 requires that the public agency that provides water and/or sewer services adopt written policies and procedures, not later than July 1, 2006, and at least once every five (5) years thereafter, to establish such priority for affordable housing projects; and

WHEREAS, the City of Sunnyvale is the primary water and sewer provider for the City of Sunnyvale and is, therefore, subject to the requirements of Government Code Section 65589.7; and

WHEREAS, the City of Sunnyvale is continually evaluating system requirements and capacity, monitoring planned and proposed project development, and working to ensure there is adequate capacity for future development throughout the City’s service area; and

WHEREAS, the City of Sunnyvale staff has prepared the required policies and procedures in conformance with Government Code Section 65589.7; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. The Council Policy attached hereto as Exhibit A is hereby adopted as written policy and procedure for establishing priority water and sewer service to proposed developments that include housing units affordable to lower-income households.

Adopted by the City Council at a regular meeting held on _____, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:
RECUSAL:

ATTEST:

APPROVED:

City Clerk
(SEAL)

Mayor

APPROVED AS TO FORM:

City Attorney

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regular adopted at a meeting of the City of Sunnyvale City Council held on_____.

ATTEST:

City Clerk

EXHIBIT A

COUNCIL POLICY MANUAL

Policy 2.3.8 Priority Water and Sewer Service for Affordable Housing Developments

POLICY PURPOSE:

The purpose of this policy is to establish conformance with California Government Code Section 65589.7 by memorializing a written procedure to grant a priority for provision of water and sewer services to proposed developments that include housing units affordable to lower-income households. As a water and sewer provider, the City of Sunnyvale is subject to the conditions of California Government Code Section 65589.7.

POLICY STATEMENT:

In accordance with California Government Code Section 65589.7, the City shall grant a priority for water and sewer service within its service area to proposed developments that include housing units affordable to lower-income households.

Definitions

1. "Proposed developments that include housing units affordable to lower-income households" means that dwelling units shall be sold or rented to lower-income households, as defined in Section 50079.5 of the Health and Safety Code, at an affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or an affordable rent, as defined in Section 50053 of the Health and Safety Code. "Lower-Income Households" are defined in Section 50079.5 of the Health and Safety Code.
2. "Water or sewer services" means supplying service through a pipe or other constructed conveyance for a residential purpose, and does not include the sale of water for human consumption by a water supplier to another water supplier for resale. "Water service" provided by the City applies only to water supplied for public water systems subject to Health and Safety Code Section 116275.

Procedure

The policy shall be implemented and enforced per the procedure and conditions herein:

1. Based upon existing regulations and restrictions relating to water shortage emergencies, coupled with the availability of the water supply as determined by the City, the Director of Community Development or the Director's designee shall coordinate with the Director of Environmental Services to ensure that a priority for water and sewer services is given to proposed developments that include housing units affordable to lower-income households.
2. The City shall not deny or condition the approval of an application for services to, or reduce the amount of services applied for by, a proposed development that includes housing units affordable to lower-income households unless the City makes specific

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written findings that the denial, condition, or reduction is necessary due to the existence of one or more of the following:

A. The City:

- I. does not have “sufficient water supply,” as defined in California Government Code section 66473.7(a)(2);
- II. is operating under a water shortage emergency as defined in California Water Code section 350; or
- III. does not have sufficient water treatment or distribution capacity to serve the needs of the proposed development, as demonstrated by a written engineering analysis and report.

B. The City is subject to a compliance order issued by the State Department of Health Services that prohibits new water connections.

C. The City does not have sufficient treatment or collection capacity, as demonstrated by a written engineering analysis and report on the condition of the treatment or collection works, to serve the needs of the proposed development.

D. The City is under an order issued by a regional water quality control board that prohibits new sewer connections.

E. The applicant of the proposed development has failed to agree to reasonable terms and conditions relating to the provision of service generally applicable to development projects seeking service from the City, including, but not limited to, the requirements of local, state, or federal laws and regulations or payment of a fee or charge imposed pursuant to California Government Code section 66013.

3. The City shall revisit, revise (if necessary), and re-adopt an update to this policy and procedure at least once every five years from the date of adoption.

(Adopted by Resolution No. _____, RTC 25-____ (_____, 2025))

Lead Department: CDD