



# TOWN OF CHAPEL HILL

Town Hall  
405 Martin Luther King Jr.  
Boulevard  
Chapel Hill, NC 27514

## Legislation Text

File #: [22-0192], Version: 1

### **Authorize the Town Manager to Execute a 2022 Amendment to the Interlocal Agreement with Orange County and Town of Carrboro Related to the Historic Rogers Road Area Private Sewer Service Lateral Connection Installation for Qualified Low-to- Moderate Income Homeowners Cost Share.**

#### **Staff:**

Colleen Willger, Planning Director  
Judy Johnson, Assistant Planning Director

#### **Department:**

Planning Department

**Overview:** The proposed amendment primarily relates to adding preamble language to the previously amended 2020 Interlocal Agreement to expand the potential number of Historic Rogers Road area properties that may be eligible to receive public financial support to cover the capital costs of private sewer lateral connections.



#### **Recommendation(s):**

That the Council adopt Resolution A, authorizing the Town Manager to sign the attached 2022 Amendment to the Interlocal Agreement between Orange County and the Towns of Carrboro, and Chapel Hill. Text changes are highlighted in the attachment.

#### **BACKGROUND**

The recently constructed Historic Rogers Road Area gravity sewer system installed approximately 108 sewer service stub-outs/clean-outs to lots within the Historic Rogers Road sewer service area. The design and construction of the Historic Rogers Road Area gravity sewer system was initiated based on the recommendations contained within the [Historic Rogers Road Neighborhood Task Force Final Report <https://www.townofchapelhill.org/Home/ShowDocument?id=25337>](https://www.townofchapelhill.org/Home/ShowDocument?id=25337). The costs associated with the design and construction of the sewer system were shared between Orange County and the Towns of Chapel Hill and Carrboro as specified in an [Interlocal Agreement entered into on December 2016 <http://chapelhill.granicus.com/MetaViewer.php?view\\_id=&clip\\_id=2955&meta\\_id=146849>](http://chapelhill.granicus.com/MetaViewer.php?view_id=&clip_id=2955&meta_id=146849).

Chapel Hill, in partnership with Town of Carrboro and Orange County (also known as the partners), are providing funding to cover the costs of private sewer service lateral connection installations, septic tank abandonments and payments of OWASA sewer system development fees for qualified Low-Moderate Income (LMI) homeowners of existing dwelling units located on Heritage Lots within the Historic Rogers Road sewer service area. The Heritage Lots are identified on the map included in the amended Interlocal Agreement. The costs associated with private sewer service lateral connection installations for qualified LMI homeowners were shared between the partners as specified in a 2019 Interlocal Agreement.

The sewer lateral connection installation cost-share [Interlocal Agreement was amended in 2020 <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=4309599&GUID=7AAEA9E6-1293-4B9A-BF80-AD451355EE79>](https://chapelhill.legistar.com/LegislationDetail.aspx?ID=4309599&GUID=7AAEA9E6-1293-4B9A-BF80-AD451355EE79)

to incorporate minor revisions based on a joint collaborative review effort by the Rogers Road Staff Working Group.

To date, eight (8) new sewer service lateral connections have been installed for qualified LMI

homeowners using the funding mechanism established under the cost-share Interlocal Agreement. Due to the pandemic and the impact on the timeline, the partners intend to continue this initiative by extending the timeline of the current cost-share Interlocal Agreement. The partners are working currently on additional outreach efforts.

#### **DISCUSSION**

- The Amendment would expand the potential number of Historic Rogers Road Area properties that may be eligible to receive public financial support to over the cost of private sewer lateral connections.
- The Amendment would extend the three year funding period due to the pandemic.
- The Amendment has a total project estimate cost of \$220,000 of which Chapel Hill's portion is \$94,600, or 43 percent of the current total project estimate cost, (whichever is less) plus any financing costs, to provide connection assistance for low to moderate income households within Chapel Hill's planning jurisdiction.
- Adoption of the attached resolution would authorize the Town Manager to sign the attached 2022 Amendment to the Interlocal Agreement.

#### **NEXT STEPS**

- The Orange County Commissioners approved the 2022 Amendment to the Interlocal Agreement on March 1, 2022, and Carrboro Town Council will consider it at their March 8, 2022, meeting.
- Should more residents than we anticipate wish to connect to the system, staff would present an amendment to this Agreement to the Council for consideration.



#### **Attachments:**

- Resolution
- Interlocal Agreement

**A RESOLUTION AUTHORIZING THE TOWN MANAGER TO EXECUTE A 2022 AMENDMENT TO THE INTERLOCAL AGREEMENT RELATED TO THE HISTORIC ROGERS ROAD AREA PRIVATE SEWER SERVICE LATERAL CONNECTION INSTALLATIONS FOR QUALIFIED LOW-TO-MODERATE INCOME HOMEOWNERS - COST SHARE (2022-03-09/R-2)**

WHEREAS, in 2014, the Towns of Chapel Hill and Carrboro, and Orange County (also known as the partners) began work to install a sewer system in the Rogers Road community. The partners agreed to use the cost-sharing allocation (adopted at the Chapel Hill Town Council meeting on December 5, 2016) for the project with Orange County and the Town of Chapel Hill each contributing 43 percent (\$94,600) of the cost and Carrboro contributing 14 percent (\$30,800) of the cost; and

WHEREAS, in 2019, the partners entered an Interlocal Agreement to provide lateral connections to qualifying lower income households. The map included in the attached amended Interlocal Agreement identifies the Heritage Lots eligible for financial assistance. The Towns of Chapel Hill and Carrboro also agreed to reimburse Orange County for a portion of the construction expenditures; and

WHEREAS, the proposed amendment primarily relates to adding preamble language to the previously amended 2020 Interlocal Agreement to expand the potential number of Historic Rogers Road area properties that may be eligible to receive public financial support to cover the capital costs of private sewer lateral connections; and

WHEREAS, the agreement established a three-year funding period for connections. Due to the pandemic, the initial three-year funding timeline is proposed to be extended. The partners will reimburse 100 percent of the connections' costs for eligible households during the first two years following sewer certification. During the third year, connections will be covered at 50 percent of the connection costs; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council authorizes the Town Manager to sign the 2022 Amendment to the Interlocal Agreement as described in the March 9, 2022 meeting materials between Orange County, Carrboro, and Chapel Hill for installation of private sewer laterals for low-to-moderate income homeowners in the Rogers Road community.

This the 9<sup>th</sup> day of March, 2022.

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**The Agenda will reflect the text below and/or the motion text will be used during the meeting.**

By adopting the resolution, the Council authorizes the Town Manager to sign the attached 2022 Amendment to the Interlocal Agreement between Orange County, Carrboro, and Chapel Hill for installation of private sewer service lateral connection installations for qualified low-to-moderate income homeowners in the Historic Rogers Road community.