

**SEPTEMBER 8, 2020 MINUTES
REGULAR WHEATLAND CITY COUNCIL MEETING
WHEATLAND COMMUNITY CENTER
101 C STREET, WHEATLAND, CA
6:30 – 8:10 P.M.**

COUNCIL MEMBERS PRESENT: R. Coe, L. McIntosh, J. Pendergraph, R. West,
ABSENT – J. Henderson

OTHERS PRESENT: J. Goodwin, City Manager
T. Raney, Community Development Director
S. Mahoney, Finance Director
J. Buckman, City Attorney
D. Sylvester, Police Chief
A. Paquette, Fire Chief

PLEDGE OF ALLEGIANCE: Mayor R. West led the pledge of allegiance.

PUBLIC COMMENT:

None.

CONSENT CALENDAR

Motion was made by Vice Mayor J. Pendergraph, Seconded by City Council Member R. Coe to **approve Quarterly Investment Reports from March 31 and June 30, 2020**. Vote called – AYES: All. Motion carried

PUBLIC HEARING

1) Finance Director S. Mahoney presented the staff report for adjustments to Planning and Engineering deposit requirements. The current Planning and Engineering deposit requirements related to development project application processing were adopted in January 2007 (Resolution 01-07). Certain application processing activities require a large deposit. The deposit amounts, calculated in 2007, were estimates of the average cost to complete the processing of an application. At project completion, and after the deposit is reduced by all consultant, contractor, and administrative fees, the applicant is either refunded the balance of the deposit amount or charged for any costs that exceed the deposit amount. The required deposit amounts are increased each year based on the change in the consumer price index. To cover City employee and administrative costs, a charge of 37% of consultant and contract charges is assessed (administrative fee). This amount is reduced to 10% for consultant and contract charges related to the preparation of an environmental impact report. Staff feels that Planning and Engineering deposit requirements related to development project application processing can be structured in a way that encourages development in Wheatland while ensuring that the City recovers all associated costs. The changes recommended are change all initial deposit amounts to \$1,000. The \$1,000 will be used to pay the City's contract planner or contract engineer to develop an estimated total cost to process the development application; the estimated cost to the process the application will be charged to the applicant as an additional deposit. Contract and consultant staff will receive authorization from the City to begin processing the application once the additional deposit amount is received by the City and the required

City of Wheatland Funding Agreement for Development Project Application Processing form is approved by the City Manager; if the cost of processing the application exceeds the deposited amount, the applicant will be required to remit an additional deposit amount before work continues; when the development application process is complete, any remaining deposit amount will be refunded to the applicant and the administration fee will be reduced to 20% from 37% and the administration fee for environmental impact reports will remain at 10%.

Public Comment - None

Motion was made by Vice Mayor J. Pendergraph, Seconded by Council Member R. Coe **to approve Resolution No. 37-20 Concerning Adjusted Development Project Application Processing Fees.** Vote called – AYES: All. Motion carried.

REGULAR CALENDAR

1) Community Development Director T. Raney presented the staff report for staff direction to prepare a draft Development Agreement Amendment for Caliterra Ranch. The Caliterra Ranch Project (formerly known as Jones Ranch) is an approximately 193-acre site consisting of 552 single-family residential units, located on the south side of Wheatland Road, between the existing High School and Ace Hardware. Oakley Lane bisects the property, which is agricultural in appearance, characterized by grasslands and open space. The project site is zoned Planned Development (PD) and designated for Low-Density Residential (LDR) and Commercial (C). The staff report listed the previous City approvals for the Caliterra Ranch Project (formerly known as Jones Ranch). City staff and the Caliterra Ranch applicant team have continued to work toward reducing the initial per unit development costs of the first phase of development of the project site. These efforts have been necessary for the project to be viable for sale to a homebuilder. The applicant team has identified an interested homebuilder for the site, but the sale requires a reduction in the City's development impact fee. Therefore, applicant is seeking a 50 percent development impact fee reduction of the first 145 single family lots. The requested reduction in fees would require an amendment to the current development agreement for the Caliterra Ranch Project. City staff acknowledges that the reduction in fee is warranted due to; the 2020 Wheatland Community and Economic Development Action Program includes program 1.b. which states: Continue to work with development interests to reduce or defer, when possible, up-front costs that may hinder their investment in Wheatland; the City's development fee program is in the higher range of neighboring communities. The City's fees were last updated in 2007 and since their adoption have nearly doubled due to the annual increases provided in the fee program. City staff is currently seeking a qualified consultant to update the AB1600 impact fee study to address this issue; residential subdivisions have not been developed in Wheatland in nearly 20 years. Therefore, the applicant has acknowledged that the home builders do not have sufficient current information on home pricing and demand in Wheatland. This adds risk to the homebuilders and requires a corresponding reduction in initial costs and the development of the project site will continue to be subject to the timing requirements outlined in the "Third Amended and Restated City of Wheatland Development Agreement Concerning Jones Ranch Subdivision" recorded on February 3, 2015. This states the Development Agreement will terminate on December 31, 2023. If prior to December 31, 2023, final subdivision maps have been recorded for 276 or more parcels of the Project, then the termination date of the Development Agreement will be extended to December 31, 2026. City staff is requesting the city council provide direction to staff to begin preparing a draft development agreement amendment to provide a 50 percent reduction in development impact fees for the first 145 single-family units of the Caliterra Ranch Project. Amending the development agreement for Caliterra Ranch would require review and approval by both the Wheatland Planning Commission and City Council.

Council Member L. McIntosh questioned if the reduction in fees will be recouped at the 146th house built? T. Raney explained there will be no recouping of the 50% reduction. McIntosh stated she does not feel the City of Wheatland needs to be in the position of lowering impact fees for the same type of development as surrounding jurisdictions, not at a cost to the City. McIntosh stated the City does not get an opportunity for any more dollars other than taxes and local shopping and stated the City needs to keep the fees where they are. McIntosh added she would still love to have the development.

Applicant Rick Langdon commented that this project is at least a \$10 million dollar investment before the first toilet can be flushed and when the project was put out to bid from builders, with every one of the offers that came in, the developer Sunny Dale will basically have to write checks. If Mr. Dale planted almonds on the project site, he would have an initial cost but collect profits for many years to come. Because of anticipation of the reduction they have been able to sign a letter of intent with a builder and ready to go into contracts. contractor

Vice Mayor J. Pendergraph commented that if the project is approved at this council meeting when will the project start. Langdon responded the close of escrow on the first 145 lots would be towards the end of November and ready to break ground as soon as the rainy season is over. Pendergraph added that many people from Beale AFB have an interest in housing for the City of Wheatland. J. Goodwin stated when approved and escrow closes there still needs to be approval of the final map for 90 additional lots and approval of an amended Subdivision Improvement Agreement (SIA) for the first 55 lots and a new SIA for 90 lots, those actions will still come back to the council for approval. Pendergraph questioned if it is fair to say for example a house not been sold in a block of houses in 10 years and now there are no comps available to see what the home is now worth people would be afraid to purchase a new home. Raney explained that home builders rely heavily on existing development in the area. So in an area like Lincoln or Rocklin that are experiencing development, there is pretty good confidence for home builders to know that what was built in surrounding jurisdictions to get a good valuation to know to get a good valuation of what the structure is worth and how they can make good profits. Housing costs in Plumas Lakes and Olivehurst are not good comps because their situation is different with different roadway infrastructure therefore home builders do not view those as a good comp for Wheatland. So, home builders really do not know what the pricing is coming into Wheatland. It is a good sign for Wheatland that with the reduced fees developers are willing to start building in Wheatland.

Mayor R. West stated he is 'ok' with the reduction but would like a performance assurance built into the reduction maybe of permits pulled by the first expiration of December 7, 2023. When details are being worked through if the City could have 'moved dirt, done something' by December 2023 for the 50% reduction in fees to continue. West questioned if there is a CFD on the property. T. Raney explained yes which is added at the time the final map is approved for operations, maintenance, and public safety.

Pamela Shelton commented on affordable housing. T. Raney explained the project does not have any requirements to build affordable housing. The City's Housing Element has rezoned parcels for future affordable housing.

Council Member R. Coe stated concerns for long term expense for developer fees and questioned if this is something the City must do in order to move forward with housing development. City. J. Goodwin responded that because the City does not have fully improved lots available, which is the difference between development taking place in surrounding jurisdictions and not Wheatland, that combined with Wheatland being viewed as an untested market has made it challenging for home builders to get started in Wheatland. Development Impact Fees reflect the projected costs of future infrastructure associated

with growth of the community and is relative to building. Staff believes that current impact fees are based on the 2006 General Plan that is no longer valid, and adjustments are going to be required. A fee study is included in SB2 grant monies which will be coming to council within the next two weeks.

Motion was made by Mayor R. West, Seconded by Vice Mayor J. Pendergraph to **provide direction to staff to begin preparing a draft Development Agreement Amendment for Caliterra Ranch**. Vote called – AYES: West, Pendergraph. NOES: Coe, McIntosh. Motion failed.

2) Community Development Director presented the staff report to provide direction to staff to begin preparing a draft ordinance to amend the City's Zoning Code to require design review for residential development within the City. Currently, the City of Wheatland's Zoning Code only requires Architectural Review (a.k.a. Site Plan and Design Review) for projects located in the Commercial Zoning Districts (C-1, C-2, and C-3). If a project is permitted by right, such as a multi-family development in the R-3 Zoning District, staff does not currently have a process to review the design of the project for consistency with the City's existing Community Design Standards except during building permit review. It should also be noted that currently the building permit review process does not collect fees for staff time to review the proposed design of a project. City staff is requesting Council direction to begin preparing a draft ordinance amendment to amend Section 18.67 of the Wheatland Zoning Code to include design review and approval by the Community Development Director for proposed residential development. The current design review fee amount of \$3,876.00 would also be reviewed during this process. Amending the Wheatland Zoning Code would require future review and approval by both the Wheatland Planning Commission and City Council of a draft zoning ordinance amendment.

Motion was made by Council Member R. Coe, Seconded by Vice Mayor J. Pendergraph to **provide direction to staff to begin preparing a draft ordinance to amend the City's Zoning Code to require design review for residential development within the City**. Vote called – AYES: All. Motion carried.

3) Police Chief Damiean Sylvester presented the staff report to introduce and waive the first reading of Ordinance No. 477 Imposing a Ban on the Establishment and Operation of Needle Exchange Programs Within Wheatland. The California Department of Public Health (CDPH) is authorized by Health and Safety Code section 121349 et seq. to approve a needle exchange program (NEP). CDPH has authorized Yuba Sutter Harm Reduction and Community Outreach (YHRCO) to provide syringe services within Yuba and Sutter Counties. Neighboring jurisdictions in both Yuba and Sutter counties have established ordinances banning the program, which resulted in YHRCO discontinuing the program at this time. At the July 14th, 2020 City Council meeting, City Council directed staff to proceed with preparation of a City Ordinance banning the operation of needle exchange programs within the City of Wheatland. Improper collection and disposal of used hypodermic needles and syringes is detrimental to, and presents an imminent threat to, the health, property, safety, and welfare of the public. The needles create a hazardous condition for community members and increase the risk of injury. In the past two years, the City has had approximately 5 incidents where community members and City staff have found used syringes discarded at local parks and within the community of Wheatland. If the needle exchange program is allowed in Wheatland, it is likely these incidents will be more frequent, which carries the risk of negatively impacting the City.

Motion was made by Vice Mayor J. Pendergraph, Seconded by Council Member L. McIntosh to **Introduce and Waive the First Reading of Ordinance No. 477 of the City of Wheatland Imposing a Ban on the Establishment and Operation of the Needle Exchange Programs Within Wheatland**. Vote called – AYES: All. Motion carried.

4) City Manager J. Goodwin introduced the staff report for council discussion and consideration regarding the release of a Request for Qualifications (RFQ) for on-call landscape architect and grant support services for park and recreation facility projects. In 2018 voters in the State of California approved Proposition 68, the Parks and Water Bond Act of 2018. Among the many components of the measure is the provision for distribution of funds to cities and counties on a per capita basis. The Per Capita Funding Program originally was expected to make a minimum of \$200,000 available to California cities. Final regulations released for the program reduced that amount to \$177,975. Projects that do not serve a severely disadvantaged community require a 20% match. Staff does not anticipate that Wheatland will meet the disadvantaged community requirements and will be subject to the match provision. Last year Melton Design Group assisted with developing proposed projects and grant application materials for the anticipated funds. The proposed projects discussed then included; Pool Feasibility Study - Develop program, layout, design and cost of proposed pool facility; Recreation and Park Master Plan - Develop a planning document to guide the City in creating a recreation program and guidelines for future recreation and park development; Park Place - Enhance the park with a basketball court, picnic tables and shade trees. This court will provide active recreation for all ages; Wheatland Ranch Park - Add shade structure, picnic tables and trees to create comfortable spaces for children and adults. An accessible concrete pad will replace fall material that is in an area that is not being used. Additionally, we are replacing wet, hard to mow turf areas and wet bark areas with cobble to reduce maintenance and bark use. Final regulations for the Per Capita program do not allow for use of the funds for the Pool Feasibility Study and the Recreation and Parks Master Plan. Only capital projects can be funded. By the end of this year, the City will need to submit revised project plans to complete a contract for the Per Capita Funds. The contract period for these funds will extend through early 2024. The required 20% match for the project(s) is \$35,595 and can be spread over FY 21/22 through FY 23/24. Given the uncertainty of the outcome of Measure O in November, the City will need to preserve as much flexibility as possible to retain the option of using these state funds. In addition, one year has already passed on our 7-year timeline to construct a community swimming pool. The City needs to continue pursuing grant possibilities for this project. Additional Prop 68 grant opportunities are anticipated. To act quickly when grant opportunities become available, it is important to have a qualified firm available to assist the city with potential projects. The firm selected through this procurement would enter into an on-call contract relationship and would be available, as needed, to assist with grant applications, and if funds are awarded, complete project design and project management.

Mayor R. West commented on hourly rates in RFQ. Goodwin explained that qualification identifies the firm capable of doing what the City needs them to do. RFQ does not select qualifications based on price. West questioned if the RFQ will come back to council for approval. Goodwin explained the contract would come back to Council for approval. Any contract would have to stay within the amount the City Manager is authorized to approve. If the cost exceeded the City Manager spending authority, the contract would come back to council for approval. West stated he does not understand how the City would know if the firm's fees would be compatible with other firms of similar qualifications if it is not requested in the RFQ. Goodwin reiterated the firm would not be chosen on fees but chosen on qualifications.

Council Member L. McIntosh questioned if this is within the current year's budget. Goodwin explained that any contract that would come forward, the projects would have to be within the City Manager's \$25,000 budget authority, if the contract exceeded the \$25,000 the contract would be brought to council for approval. McIntosh questioned if it would be unreasonable to ask for fees in the RFQ. Goodwin explained it is usually not appropriate because the RFQ is a measure of qualifications, not a negotiation for service. McIntosh suggested adding the request for fees even if it is out of the norm. Goodwin stated you can, but it does not really help, because the RFQ would be ranked on qualifications, not on price.

City Manager J. Goodwin reemphasized, the RFQ is to find the firm, the project would have to fit within budget, if not, the project must come back to council.

Motion was made by Council Member R Coe, Seconded by Vice Mayor J. Pendergraph to **Authorize the Release of a Request of Qualifications (RFQ) for On-Call Landscape Architect and Grant Support Services for Park and recreation Facility Projects with an Amendment to Include a Fee Schedule.** Vote called – AYES: All. Motion carried.

REPORTS

City Attorney J. Buckman reported the City Council has 60-days to fill the vacancy of Council Member Joe Henderson.

Fire Chief A. Paquette reported that all firefighters are back and that two pieces of equipment are out of service. Two crews will be going out in two days.

Police Chief D. Sylvester reported on the new car and recognition of Sergeant Chris Ellis on the arrest of the case of catalytic converter theft.

Council Member R. Coe reported on the Bi-County Homeless Project.

Mayor R. West reported on the first Ad-Hoc Committee meeting with Linda for discussion regarding sewer.

CLOSED SESSION

No reportable action.

There being no further business, Mayor R. West adjourned the meeting at 8:10 p.m.

Minutes approved and adopted on this 22nd of September 2020.

Rick West, Mayor

Lisa J. Thomason, City Clerk