

**MINUTES
REGULAR MEETING
CITY COUNCIL & REDEVELOPMENT AGENCY
CITY OF YUBA CITY
June 2, 2009
6:00 p.m. – Closed Session
7:00 p.m. – Regular Meeting**

Closed Session 6:00 p.m.-Butte Room

Conferred with real property negotiators Steven Jepsen and Steve Kroeger pursuant to Government Code Section 54956.9 regarding negotiations regarding the possible sale of the following property or portion thereof: 52-380-017

Conferred with labor negotiators Steven Jepsen and Steve Kroeger regarding negotiations with the following associations: Yuba City Police Officers, Police Sergeants, Yuba City Firefighters Local 3793, Yuba City Fire Management, Confidential Employees, Executive Services Employees, First Level Managers, Mid Managers, and Yuba City Employees, pursuant to Section 54957.6 of the Government Code.

Regular Meeting 7:00 p.m.-Council Chambers

Call To Order

The City Council of the City of Yuba City was called to order by Mayor McBride at 7:00 p.m.

Roll Call

Present: Councilmembers Dukes, Gill, Maan, Miller, and Mayor McBride
Absent: None

Invocation

Councilmember Dukes gave the invocation.

Pledge of Allegiance to the Flag

Councilmember Maan led the Pledge of Allegiance to the Flag.

Public Hearings

1. Appeal of Planning Commission's conditional approval of Subdivision Map SM 08-02 – Red Cross

Community Development Director Aaron Busch announced that the applicant has formally withdrawn their appeal of this item.

2. Approval of a Joint Partnership Agreement and Memorandum of Understanding (MOU) between Yuba City, Sutter County, and Live Oak to receive \$1,794,004 allocated from the Federal Neighborhood Stabilization Program (NSP) program

Community Development Director Aaron Busch said this is the Neighborhood Stabilization Program sponsored by the Housing and Economic Recovery Act of the Federal Government and was put into place last year. Council reviewed concepts for this program earlier this year. It is aimed at rejuvenating existing communities that are experiencing a high volume of foreclosures. The Federal Government is putting \$3.9 billion into the effort, of which, California received over \$500 million. Five goals outlined in the program include: purchase and rehabilitate homes, create land banks on foreclosed homes, demolish blighted structures, redevelop demolished or vacant properties, and establish financing for purchase and redevelopment. Once Council approves this item, then Live Oak and Sutter County will need to approve it. We will then need to approve a Service Agreement with the Housing Authority outlining the details of the sub recipient agreements. An NSP Program Income Reuse Agreement will follow for approval.

Yuba City, Live Oak and Sutter County are considered Tier 2 jurisdictions since we are partnering on this program. The two agreements before you tonight are the joint partnership agreement, Yuba City being the lead jurisdiction, and the second is a Memorandum of Understanding between the three jurisdictions.

Councilmember Gill asked if there are any criteria on the allocation of the percentage of homes to be purchased in Live Oak, Yuba City or Sutter County. Mr. Busch said no, the NSP Action Committee will make those decisions.

Mayor McBride opened the public hearing. Hearing no comment, she closed the public hearing.

Councilmember Gill moved to: (a) approve entering into a Joint Application Agreement between Yuba City, Sutter County, and Live Oak, allowing the agencies to jointly receive \$1,794,004 from the Federal Neighborhood Stabilization Program (NSP); (b) approve Resolution No. 09-036 (Exhibit A) authorizing the City Manager to execute the Application Agreement and Joint Partnership Agreement between Yuba City, Sutter County, and Live Oak (Exhibit B); (c) approve Resolution No. 09-037 (Exhibit C) authorizing the City Manager to execute the Memorandum of Understanding between Yuba City, Sutter County, and Live Oak (Exhibit D). Councilmember Miller seconded the motion that passed with a unanimous vote.

3. Proposed 2009/2010 Community Development Block Grant Fifth Year Action Plan

Senior Planner Katie Ertmer said we are an entitlement district and receive our CDBG funds directly from the Federal government instead of the State. Requirements include meeting one of three objectives: benefit low to moderate income individuals, eliminate slums or blight, or address an urgent need. We are required to adopt a five year plan. An action plan must be submitted annually. The City has applied for interim assistance for neighborhood clean up activities. The Consolidated Plan does not outline this activity and therefore, this interim assistance is required for short term activity addressing an urgent need; i.e., deterioration of certain neighborhoods.

Mayor McBride opened the public hearing. Hearing no comment, she closed the public hearing.

Having conducted a public hearing to receive comments on the 2009/2010 Fifth Year Action Plan, Councilmember Gill moved to adopt Resolution No. 09-038 accepting the Plan and authorizing staff to submit the Plan to the Department of Housing and Urban Development. Councilmember Dukes seconded the motion that passed with a unanimous vote.

4. Proposed substantial amendment to the 2008/2009 Community Development Block Grant Fourth Year Action Plan to accommodate supplemental funding through the American Recovery and Reinvestment Act and allocate the funds for the purchase and installation of solar photo voltaic panels on the Senior Center

Senior Planner Katie Ertmer said this item is a result of the American Recovery and Reinvestment Act which was enacted in February. Under that Act, entitlement jurisdictions received a percentage of their normal allocation, which for Yuba City is about \$148,487. Additional CDBG requirements, beyond the national objectives, include a short public comment period, and investment must increase energy efficiency or produce jobs of economic benefit. Staff recommends the solar panel project at the Senior Center. Staff anticipates annual savings of \$8,700, the Senior Center's annual PG&E bill, and as much as \$22,200 if we are allowed to apply surplus energy to other City facilities. PG&E still has to approve this action. The payback period should be around 10-1/2 years and the life of the solar panels is about 20 years. The submission date is June 5, 2009. Ms. Ertmer and General Services Director Devin Barber responded to Council's questions.

Mayor McBride opened the public hearing. Hearing no comment, she closed the public hearing.

Having conducted a public hearing to receive comments on the substantial amendment to the 2008/2009 Fourth Year Action Plan, Councilmember Maan moved to adopt Resolution No. 09-039 accepting the Plan and authorizing staff to submit the Plan to the Department of Housing and Urban Development. Councilmember Gill seconded the motion that passed with a unanimous vote.

Public Communication on Items Not on the Agenda

- 5. **Written Requests** - none
- 6. **Appearance of Interested Citizens** - none

Bid Openings

7. Landscape Maintenance Contract Services (FB09-07)

General Services Director Devin Barber stated landscape areas are scattered throughout the City. Maintenance is paid for by the Landscape Districts that are created when subdivisions are built. Twelve vendors participated in the walk through of the sites. A local vendor, Botanica Landscapes, is the low bidder. There is a \$61,000 savings per year over the existing contract.

Councilmember Gill moved to award a contract to the low bidder Botanica Landscapes of Yuba City, CA in the amount of \$118,921.44 for yearly service of landscape maintenance districts with an optional three (3) one (1) year extensions. Councilmember Maan seconded the motion that passed with a unanimous vote.

Mayor McBride announced that since we are having an air conditioning malfunction tonight, she would like to complete Item 8 & 9, and then move Item 13 forward since there are a large number of residents here tonight for that item.

8. Queens Avenue and Gray Avenue Traffic Signal Project

Public Works Director George Musallam noted seven bids were received with the lowest being Pacific Excavation of Elk Grove. He noted their bid was considerably less than the bid we received for the Queens/Stabler signal because this bid was discounted \$50,000 by the supplier. Staff recommends approval.

Councilmember Maan moved to (a) award Contract No. 09-01, Queens Avenue and Gray Avenue Signal Project to Tim Paxin's Pacific Excavation, Inc. of Elk Grove, CA in the amount of their bid of \$274,115.35; and (b) authorize the City Manager to execute the contract on behalf of the City, following approval by the City Attorney. Councilmember Dukes seconded the motion that passed with a unanimous vote.

Consent Calendar

Councilmember Gill moved to adopt the consent calendar as presented. Councilmember Dukes seconded the motion that passed with a unanimous vote.

9. City Council Approval of Minutes of May 19, 2009

Approved the Council meeting minutes of May 19, 2009

General

13. Proposed Agreement with Interwest Homes for the reduction of Development Impact Fees in the Canterbury Estates residential subdivision

Community Development Director Aaron Busch said this is a follow up on the Council's March 17th action where Interwest Homes' proposal was presented to complete a part of the Canterbury Estates Subdivision, which Dunmore Homes abandoned and went into foreclosure. Interwest asked for a two year time period to complete the partially built 14 units and another 34 for a total of 48. At that time, Council directed staff to return with a one year, 24 unit proposal. Tonight's agreement includes reduced impact fees to the 2004 level in return for removal of the blight from the subdivision. These fees would apply to only those 24 units and for one year. Water, sewer, levee, county and school fees have not been reduced. Benefits include completion of the 14 partially completed units, preservation of construction jobs and added ability to collect revenue. Value will be built into that neighborhood. There will be the generation of immediate impact fees to the City of about \$237,000 that would not otherwise be collected.

We consider this an economic stimulus package. We also propose a temporary citywide impact fee reduction plan. It would be similar to the Interwest agreement. Twenty-four units would be designated for using the 2004 impact fees, not including reductions of water, sewer, levee, county and school fees. The criteria is that a developer has one year to pull a building permit. They then have 30 days to start construction and one year to complete it. This is to provide equal opportunity to home builders and promote new jobs.

This temporary reduction in fees amounts to about \$6,900/unit. At 24 units, we are looking at a reduction of \$166,000 in fees. Forty-eight units would total a \$332,000 reduction. Mr. Busch responded to questions from Council.

Mayor McBride asked if anyone would like to speak on this issue. The following residents expressed their views on the item:

Barry Shirley, 1680 Corsica Drive, Yuba City
Deana Ellis, 2174 Lindonmeir Drive, Plumas Lake
George Murray, 1248 Manchester Way, Yuba City
Larry Ozeran, Yuba City
Kriss Bates, 1991 Cobblestone, Yuba City
Van Tranthan, 1880 Waltrip Ct., Yuba City
Brad McMullen, 769 Plumas St., Yuba City
Cindy Carr, 1934 Nina Way, Yuba City
Larry Smith, 1636 Tres Picos, Yuba City

Jeff Helms, 1461 Coates, Yuba City

Derek Long, 3561 Black Oak Drive, Rocklin, California represents Interwest Homes. He displayed photographs of the blight Interwest is cleaning up. The benefits of this proposal include Interwest continuing to operate and keeping their employees working, keeping local jobs, stimulating the economy, cleaning up the blight, increasing property values, provide over \$650,000 to the City in impact fees, which includes \$67,200 in levee fees, and providing additional tax dollars. Mr. Long said that according to an independent study, if Interwest Homes sells the 24 homes, it would create 60 new jobs and put \$4.4 million into the community. He responded to questions from Council.

Councilmember Gill supported allowing reduced fees for Interwest to develop 24 lots and opening another 24 lots at these same reduced fees for any developer or builder. The City will be receiving fees and developing a tax base.

Mayor McBride asked how many building permits have been pulled this year. Mr. Busch responded less than 10 and none in May. Mayor McBride said this is about preserving jobs for our community. The residual effect makes good business sense, and she is in favor of offering all the lots to anyone.

Councilmember Maan agreed equality is the fairer method; he is concerned about legal problems. He is in favor of pooling the 48 lots on a first come, first served basis.

Councilmember Dukes said he supports the proposal as presented. No one else has stepped up to negotiate their funding, offered their pro forma for Council's review, or proposed a project.

Councilmember Miller said this is a hard decision. For years the City fought to get the sub standard impact fees raised to a level that would cover infrastructure costs, but we are in unprecedented times. He said he would support pooling the 48 lots to any developer.

Councilmember Dukes moved to authorize the City Manager to sign an Agreement with Interwest Homes allowing for the temporary reduction of development impact fees for homes to be constructed within the Canterbury Estates residential subdivision for either a period of one year or 24 single family residential units; and, adopt [Resolution No. 09-041](#) authorizing a temporary city-wide reduction of development impact fees for residential development projects that meet the established criteria in the resolution, up to 24 single family residential units. Councilmember Gill seconded the motion that passed with the following vote:

AYES: Councilmembers Dukes & Gill, and Mayor McBride
NOES: Councilmembers Maan & Miller
ABSENT: None

10. Request for an allocation of \$600,000 in Housing Set-Aside funds to Plumas Family Associates, a California Limited Partnership, to construct a 39-unit multi-family rental complex with 38 units reserved for low- and very low-income residents (RDA)

Senior Planner Katie Ertmer said the applicant was awarded tax credits during the second round last year. The applicant was forced to return the credits when the market was in turmoil and they had an affiliation with AIG. New tax credit rules have been issued in April 2009. The application date is next Tuesday. Funding awards will be announced in September and, hopefully, would return to Council shortly thereafter with an executed funding agreement. We have talked to the applicant about including a provision in the agreement that they make best efforts in hiring local contractors and purchasing products locally. The applicant has responded that they have worked with those provisions previously.

Director Dukes moved to (a) adopt [Resolution No. 09-003](#) of the Redevelopment Agency of the City of Yuba City allocating \$600,000 in Housing Set-Aside funds for Plumas Family Associates; and (b) direct staff to negotiate an owner participation agreement for future review and approval by the Agency Board. Director Gill seconded the motion that passed with a unanimous vote.

11. Reeves Avenue Parking Lot Improvements

Councilmember Miller announced he will have to recuse himself on Items 11 and 12 due to a conflict of interest.

Public Works Director George Musallam said Council approved the concept of this item at the last meeting. Tonight we are asking for approval of plans and specs and for bid authorization. The proposed parking lot will provide 30 stalls for the Plumas Street area. Funding for the project is primarily Redevelopment Agency funds and about \$63,000 from the water fund. Total cost estimate is \$350,000. Construction is expected to begin this summer.

Councilmember Gill moved to (a) adopt Resolution No. 09-040 approving the plans and specifications for the Reeves Avenue Improvements Project and authorizing advertisement for bids on the project. Engineer's Estimate - \$347,000; and (b) authorize the Finance Director to record the supplemental appropriation to fund the Reeves Avenue Parking Lot Project Account No. 911115-65501 in the amount of \$283,500 to be financed through the unallocated Redevelopment funds held in the 2007 TAB Escrow Account at Union Bank of California. Councilmember Maan seconded the motion that passed with a unanimous vote.

12. Approval of a proposed "Downtown Parking Strategy" for the downtown business district (RDA)

Community Development Director Aaron Busch said when the Streetscape project began there was concern from business and property owners about parking. A Downtown Parking Committee was formed to address those concerns. The committee was tasked with completing a parking strategy. They looked at determining if parking is a real or perceived problem, identifying future improvements, and creating a strategy and work plan. Mr. Busch introduced the Chairman of the Parking Committee, Tim McKenna, and committee member Don Covey. The proposed strategy includes periodic studies to determine the problem, way finding signage to direct people to parking, opportunity sites for new parking, employee and shared parking, time limit parking and implementing a plan based on need and priority. An inventory of space availability needs to be completed. Ideally, it would be 85% usage. More than that is a parking problem.

Councilmember Gill noted the cost of the parking study is \$30,000 and asked if staff at City Hall could do this parking inventory study. Mr. Busch replied yes, but it would take a little longer to complete the study. Mayor McBride asked if Item b of the recommendation should include "in addition to an in house proposal" and Councilmember Gill responded yes. City Attorney Timothy Hayes confirmed that the language could be added. Councilmember Dukes asked about patrols of timed parking. Mr. Busch said they have had discussions with the Police Department and they will begin patrols when directed to do so.

Director Maan moved to (a) adopt RDA Resolution No. 09-004 (Exhibit A) approving the "Downtown Parking Strategy" and direct staff to continue working with the Downtown Parking Committee on its implementation; (b) authorize staff to solicit proposals for a parking utilization study in the downtown area in addition to an in house proposal; (c) authorize staff to identify a plan for way finding signage directing locations of public and shared parking in the downtown area; and (d) authorize and direct the Finance Director to record a supplemental appropriation of \$30,000 to project 911117. Director Dukes seconded the motion that passed with a unanimous vote.

Tim McKenna, 668 Plumas Street, thanked Council and Aaron Busch who was a tremendous help in developing the Parking Strategy.

Councilmember Miller rejoined the meeting.

14. Feasibility Study to expand Redevelopment Project Area (RDA)

Assistant City Manager Steve Kroeger said this feasibility study is to expand the redevelopment project area. Next month will be the Agency's 20th anniversary. Assessed value of the Redevelopment Agency area, over 900 acres, is \$180 million. Another \$400 million in improvements have been completed. Improvements include the Yuba City Mall, the Town Center, Gauche Aquatic Park, Plumas Street improvements, and Sunsweet Boulevard. The Redevelopment Agency also provides affordable housing. We asked an independent consultant to look at areas where we could expand the Redevelopment area—primarily blighted areas. The consultant indicated areas on Garden Highway or near it. If Council elects to move forward with the feasibility study, we might look at the entire city for pockets to be designated redevelopment areas. Mr. Dukes asked what is the advantage of expanding our redevelopment area. Mr. Kroeger responded that it gives the City the ability to use property taxes for the removal of blight, which increases property values.

Councilmember Gill moved to authorize staff to request Proposals for a Feasibility Study to Amend the Redevelopment Plan by expanding the Redevelopment Project Area. Councilmember Miller seconded the motion that passed with a unanimous vote.

Business from the City Council/Redevelopment Agency Board

15. City Council Reports

- Councilmember Dukes reported there was a large turnout for Calvary Christian Center's Memorial Day activities.

- Councilmember Maan – none
- Councilmember Miller – none
- Mayor Pro Tem Gill said the Feather River Air Quality Management District will be moving to Live Oak Boulevard in Yuba City on July 1st. He congratulated all graduating classes in Yuba City.
- Mayor McBride attended the Calvary Christian Center's event and said they had an incredible turnout.

Adjournment

Mayor McBride adjourned the regular City Council meeting of the City of Yuba City at 9:23 p.m.

Leslie McBride
Mayor

ATTEST:

Terrel Locke
City Clerk