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TO ADDRESS THE COMMISSION  
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Regular Meeting  
October 10, 2007 - 7 p.m.  
City Hall Council Chambers  
1201 Civic Center Boulevard

YUBA CITY PLANNING COMMISSION  
AGENDA

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Commissioner Satwant Takhar (Chair)

Commissioner Craig Starkey (Vice Chair)

Commissioner John Sanbrook

Commissioner Preet Didbal

Commissioner Mike Tomlinson

Commissioner John Dukes

Commissioner Jose Flores  
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Roll Call

Pledge of Allegiance

Approval of minutes from meeting held on September 26, 2007

Appearance of Interested Citizens\*

Correspondence: - None

Public Hearings:

1. Continued Public Hearing: Development Plan #DP 07-03; Proposal to demolish an existing theater and construct a new 39,000 square foot, 12 screen, 2113 seat theater; located at the south side of Whyler, west side of Onstott; APN 58-070-050, 051, 58-120-012, 013, 58-130-033; Owner, Lanza Family Trust and Hust Brothers; Applicant, Aztec Developers.
2. Update of Citywide Development Impact Fees; In compliance with Section 66000 et. seq. of the Government Code ("Mitigation Fee Act"), the City has performed an Update of its AB 1600 Fee Justification Study for purposes of ensuring consistency with the City's General Plan. The proposed update includes the establishment, amendment and increase of certain development impact fees to recover costs for future construction of public infrastructure facilities and improvements necessitated by new residential and non-residential development projects within the City limits.

Commission Consideration: - None

Commission Discussion: - None

Over

Other Business: - None

Report on Actions of the City Council

Adjournment

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Persons dissatisfied with any decision of the Planning Commission may appeal such action to the City Council. Appeals, accompanied by a fee of \$620, must be filed with the City Clerk, 1201 Civic Center Boulevard, Yuba City, CA 95993 within 10 days of such action. If no appeal is filed within this time limit, the Commission action becomes final. The exception to this is rezonings--please check with the Planning Department, 1201 Civic Center Boulevard, Yuba City for the procedure. Mailed notices of the Council hearings will be accomplished in the same manner as the Planning Commission hearings unless additional notice is deemed necessary.

If you require auxiliary aids or services (e.g., signing services) to make a presentation to the Planning Commission, the City will be glad to assist you. Please contact the City offices (530/822-4601) at least 72 hours in advance so such aids or services can be arranged. City Hall TDD: 530/822-4732.

\*Members of the public may address the Planning Commission on items of interest that are within the City's jurisdiction whether or not such items of interest are on the agenda for this meeting. Members of the Commission will respond as best as they can to public comments but cannot take action or enter into a discussion on items not contained on the agenda. Public comment on public hearing agenda items will be permitted during the hearing.



City of Yuba City  
Planning Division Agenda Report  
Planning Commission Meeting

October 10, 2007

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DATE: October 5, 2007  
TO: Yuba City Planning Commission  
FROM: Community Development Department  
SUBJECT: Agenda Report – Meeting of October 10, 2007

**PUBLIC HEARINGS**

1. **PUBLIC HEARING: DEVELOPMENT PLAN DP 07-03 FOR CONSTRUCTION OF A 39,000 SQUARE FOOT, 12-SCREEN, 2113-SEAT MOVIE THEATER LOCATED AT 1410 WHYLER ROAD; ASSESSOR'S PARCEL NUMBERS: 58-070-050, 58-070-051, 58-120-12, 58-120-013, 58-130-033; APPLICANT: AZTEC DEVELOPERS; PROPERTY OWNER: LANZA FAMILY TRUST.**

**Recommended Action:**

Staff recommends that the Planning Commission continue this item to a date uncertain. Staff will provide the required public notice of the project prior to future review by the Planning Commission.

2. **PUBLIC HEARING: UPDATE OF CITYWIDE DEVELOPMENT IMPACT FEES.**

**Project Description:**

In compliance with Section 66000 et. seq. of the Government Code (“Mitigation Fee Act”), the City has performed an Update of its AB 1600 Fee Justification Study for purposes of ensuring consistency with the City’s General Plan. The proposed update includes the establishment, amendment and increase of certain development impact fees to recover costs for future construction of public infrastructure facilities and improvements necessitated by new residential and non-residential development projects within the City limits.

## **Background:**

Development impact fees (“impact fees”) are collected for purposes of paying for future infrastructure and public facilities that are needed to serve new growth within the City. Impact fees are currently used to fund roadway improvements, parks, law enforcement, fire protection, libraries, and various County facilities. The City has been collecting impact fees since 1990. Several updates to the original impact fee program have been undertaken over the years to account for increased costs as well as for expanded services. This most recent update has been prepared to ensure that the impact fee program is consistent with the infrastructure and facility needs identified in the City’s recently adopted General Plan.

This most recent update effort began in 2005 following the adoption of the new General Plan in April 2004. Staff released a draft of the update study to the public in October of 2006 which was followed by a City Council Workshop on April 11, 2007. Following the workshop, the Council formed an Ad-hoc Committee to work with stakeholders on the finalization of the proposed impact fees. Significant time and effort were devoted to this effort to ensure that the fees are fair and equitable, and defensible as they relate to state law. Since its formation, the Ad-hoc Committee met with stakeholders on almost a weekly basis to refine the fees and discuss options for implementation that allow some discretion based on existing economic conditions.

The Ad-hoc Committee spent a fair amount of time determining the accuracy of the proposed fees and studying the assumptions and formulas used in the determination of the proposed fees. City staff and the developer’s consultants worked to revise fee schedules ensuring consistency in base assumptions for such things as: population build out (130,000), interest rates (based on a 10-year average), and contingencies (for design, inspection and construction of infrastructure enhancements). The revised fees reflect the current status of the review process and represent a position that provides for development paying its fair share of future infrastructure cost, and assures the proposed fees are justifiable under state guidelines. A copy of the fee summary table is provided as Attachment 1.

## **Discussion:**

The implementation of proposed fees looked at the needs of the residential and commercial builders and the desire of the City to have orderly and contiguous growth. In order to maintain the existing levels of services to Yuba City residents, the infrastructure improvements necessary to support new development must be provided as development takes place, or assured as part of the City’s Capital Improvement Program.

The analysis of the revised impact fee proposals requires agreement on both the development of the fees and the implementation schedules. Significant time has been spent with the different stakeholder’s groups on the evaluation of fee formulas and assumptions that were built into the fee determinations. In addition, there was a considerable amount of discussion regarding the implementation schedule for new fees due to the current economic conditions.

Many of the residential and non-residential projects have been developed based on economic assumptions of stable land prices, construction costs, and fees. The changes in economic conditions have questioned the viability of these projects as land values have decreased and construction costs have risen dramatically in the last couple of years. In consideration of

forwarding the proposed impact fees to the City Council for approval, the Ad-hoc Committee has suggested that the proposed fees be “phased-in” over a three year period to address the current downturn in the economy.

The following is a summary of Ad-hoc Committee recommendations as they have been developed through this process.

**1) Common Assumptions**

- a) Development fee calculations should be updated on an annual basis to include:
  - i) Adjustments currently reflect the increases in the construction price index as provided in “Engineering News Record” (ENR). This should remain in effect.
  - ii) Annual adjustments should include formula revisions to reflect changes in: “raw land values” and interest rates based on a rolling 10-year average.
- b) All fee assumptions should be reviewed on a minimum 5-year basis to reflect unanticipated changes or any modifications to the City’s General Plan elements.
- c) The revised Park fees will require a modification in the General Plan Park’s element to revise the parkland requirement from 10-acres per 1,000 population to 5-acres per 1,000 population.
- d) The implementation of levee fees for residential and non-residential uses should be immediate based on pending need and tied to future Benefit District Assessments.

**2) Reimbursements**

- a) Credits for oversizing of community facilities, as provided for in the “General Plan” or “infrastructure Master Plans,” are limited to the categorical facility fees generated by each individual development and are non-transferable. (It should be noted that water/sewer lines and plant fees are separate categorical facilities and not eligible for combined credit consideration.)
- b) Reimbursement agreements for utility line extensions and off-site oversizing of utility lines will be provided as part of a development agreement to ensure future development reimburses original construction cost on a pro rata basis.

**3) Residential Implementation**

- a) Continuation of the existing fee structure for 12-months and a 3-year phase in of new and revised fees as shown in Exhibit A. (Exception - levee fees would be immediate upon adoption).

**4) Non-Residential Implementation**

- a) Establish a threshold or trigger point for initiating new fees based on annual Council

review, continuation of the existing fee structure for 12-months, and a 3-year phase in of new and revised fees as shown in Exhibit B. (Exception - levee fees would be immediate upon adoption.)

**5) Infill Projects**

- a) Provide incentives to encourage development of infill projects in the Redevelopment area east of SR99 providing 50% fee reductions for:
  - i) Water/sewer (pipelines only)
  - ii) Transportation
  - iii) Parks

**6) “In Process” or “Pipeline” Projects**

- a) City staff to negotiate a memorandum of understanding (MOU) for the implementation of the pipeline projects consistent with the guidelines for the revised/new fees.

**7) Community Facility Combined Fees**

- a) Provide for the combination of fee categories for Police, Fire, Corp Yard, Library, and City Hall, to ensure bonding debt service repayment capabilities. All fee categories to be separately tracked and accounted for.

**Environmental:**

The establishment, amendment and increase of Development Impact Fees (“Fees”) is statutorily and categorically exempt from the requirements of CEQA because the setting of Fees merely establishes a funding mechanism for the provision of future projects.

**Recommended Actions:**

The Planning Division recommends that the Planning Commission take the following actions:

- A. Review the proposed AB 1600 Fee Justification Study Update and provide comments for City Council consideration.

YUBA CITY PLANNING COMMISSION  
MINUTES

Regular Meeting  
October 10, 2007  
City Hall Council Chambers

The meeting was called to order by Chairman Takhar at 7:00 p.m. Members present were as follows:

PRESENT

Chairman Satwant Takhar  
Commissioner Preet Didbal  
Commissioner Craig Starkey

Commissioner John Sanbrook  
Commissioner John Dukes  
Commissioner Jose Flores

ABSENT

Commissioner Mike Tomlinson (*excused*)

Also present were Aaron Busch, Community Development Director, and Roberta Kyle, Recording Secretary.

The Pledge of Allegiance was led by Commissioner Flores.

The meeting minutes of September 26, 2007, were approved as written.

Appearance of Interested Citizens: - None

Correspondence: - None

Public Hearings:

- 1. CONTINUED PUBLIC HEARING: DEVELOPMENT PLAN #DP 07-03 FOR CONSTRUCTION OF A 39,000 SQUARE FOOT, 12-SCREEN, 2113-SEAT MOVIE THEATER LOCATED AT 1410 WHYLER ROAD; ASSESSOR'S PARCEL NUMBERS: 58-070-050, 58-070-051, 58-120-12, 58-120-013, 58-130-033; APPLICANT: AZTEC DEVELOPERS; PROPERTY OWNER: LANZA FAMILY TRUST.**

Due to a conflict of interest, Commissioner Starkey recused himself.

Aaron Busch, Community Development Director, stated that Staff recommends the Planning Commission continue this item to a date uncertain. Mr. Busch said Staff will provide the required public notice of the project prior to future review by the Planning Commission.

Commissioner Sanbrook asked that the public hearing be opened.

Chairman Takhar opened the public hearing.

There being no testimony, Chairman Takhar closed the public hearing.

Commissioner Dukes moved to continue #DP 07-03 to a date uncertain, was seconded by Commissioner Sanbrook, and the motion passed by a voice vote of 5-0-2 (Commissioner Starkey recused, Commissioner Tomlinson absent).

Commissioner Starkey returned to the dais.

## **2. PUBLIC HEARING: UPDATE OF CITYWIDE DEVELOPMENT IMPACT FEES.**

Mr. Busch stated that at this meeting, there is the opportunity for the Planning Commission and members of the public to share their comments on the proposed impact fees, and for the Planning Commission to forward those comments and recommendations to the City Council.

Mr. Busch discussed the Ad-hoc Committee process involving the formation of the committee, public workshops and improvements costs & allocation. Mr. Busch then discussed the recommendations of the Ad-hoc Committee regarding proposed residential/non-residential fees, implementation, infill projects and credits & reimbursements.

The following questions were posed by the Planning Commissioners throughout Mr. Busch's presentation.

Commissioner Dukes asked Mr. Busch why the affordable housing entry went from \$3500 down to \$1750 was in a gray block and had nothing on the key, and asked the significance.

Mr. Busch stated it was a negotiation and discussion item that the Ad-hoc Committee recommended in light of the current economic conditions.

Commissioner Sanbrook asked if the \$39,000 figure given does include drainage, water and sewer.

Mr. Busch stated the \$39,000 figure does include these items as it represents all of the fees for a single family residence.

Commissioner Sanbrook asked if the build out population projection of 130,000 was the number that was used in the General Plan back in 2004 when it was adopted.

Mr. Busch said there are two numbers that were used from the Ad-hoc committee's recommendation which includes the 130,000 number which is based on the average density in the General Plan.

Commissioner Sanbrook said in looking at the chart, there are a lot of non-applicables when looking at commercial, office, and industrial. Commission Sanbrook said for example, library services, city hall expansion, corporation yard, affordable housing and administration, and asked if the non-residential uses somehow impact those services.

Mr. Busch stated that these non-applicables in the existing column are because the City currently does not collect that fee, while in the proposed column, parks and recreation and library services are not included because these items will not be assessed to non-residential projects.

Commissioner Sanbrook asked if the Ad-hoc Committee saw no need to make any changes, and if there were no impacts at all from those uses.

Mr. Busch stated the Ad-hoc Committee saw no need to make changes.

Commissioner Sanbrook asked if the new fees would go into effect on January 1<sup>st</sup>.

Mr. Busch said that each year on January 1<sup>st</sup>, there would be the 33 1/3% increase in the difference between proposed fees and existing fees.

Chairman Takhar asked if the CPI is based on the engineering news record, and asked, what if the actual construction costs go up as we have seen in the past 3 or 4 years 20-30%, and the engineering news record comes in at 3-5%, wouldn't we be behind again going into year 2 or 3 if that were to happen.

Mr. Busch stated it is based on the engineering news record, and when looking at all the contingencies which was the point of discussion with our consultant and stakeholders it was determined that there is some room for increased costs, however, the City needs to monitor this part of the annual update of the fees, where the Council has the opportunity to adjust the costs if needed.

Commissioner Sanbrook asked if the same would hold true for land costs.

Mr. Busch stated they agreed on a fixed number now but as part as the implementation, the City will look at the raw land costs annually to ensure the fees accurately reflect current conditions.

Commissioner Sanbrook stated that he is confused as to what the trigger point of threshold is for the initiation of the increased non-residential fees.

Mr. Busch stated that was language that was being disregarded, and what they did was change the trigger to a second evaluation of the market and the end of 12 months. Mr. Busch stated in regards to residential, the phase in for the fees is all predicated on the fact that the market is slowing down so the Committee proposed a 3 year phase in. Mr. Busch stated that if the market conditions come back, there no reason to have phasing in of fees so fees should increase accordingly. There isn't really a trigger point for non-residential and that's why at the end of 12 months, staff will bring that back to the Council to evaluate the matter based on building permit activity and market conditions.

Commissioner Dukes asked if economic conditions remain static for the next 4 or 5 years, the full implementation of the fees will be 4 years to where we are 100% of the proposed fees, and asked if that was correct.

Mr. Busch said it is actually 3 more years.

Commissioner Dukes asked about projects already in the pipeline, and how their fees would be paid.

Mr. Busch stated it is the developer's choice, and that they have the option of paying the required fees at either building permits or paying at certificate of occupancy. Mr. Busch further noted that developers will be required to pay the current fees in effect at that time.

Commissioner Dukes stated that the water line that is coming across Lincoln Road is a line that is being proposed to help alleviate the problem with the ground water and asked how it is split off, and if it is treated like developer A and B, and are they all paying their fair share. Commissioner Dukes asked if it is being oversized for the future expansion and how is that being factored in.

Mr. Busch stated what will happen is developer A has a specific amount of the impact fee so they will be receiving credit for the oversizing of the line that is being sized for future build out which will include projects A, B, C, etc., so what happens is we get the one for one credit for the onsite, for the offsite, we have to set up a reimbursement agreement.

Commissioner Dukes stated it seems the greater share of the burden was being put on the people that would be hooking up to the ground water that were already existing customers versus the ones that were being expanded in, and asked what the formula is and how that is being worked out.

Mr. Busch stated there is no formula, it is on a project by project basis.

Commissioner Sanbrook spoke about a project off of Walton Avenue, south of Lincoln Road, and north of Smith Road, and stated they were required to do substantial off-site work to accommodate their project, and said that could be the subject of an appropriate reimbursement.

Mr. Busch said that was correct, and said that was a good example of the development agreement process which included provisions for both credits and reimbursements.

Commissioner Sanbrook asked that as far as the impact fees were concerned on that project, will the MOU that was executed be amended.

Mr. Busch said that since that project has a development agreement, it would be subject to negotiations and would go back to Council for review and approval as an amendment to the development agreement.

Commissioner Starkey asked if it is the assumption that a certain minimum number of building permits come in per year in order to be able to fund, and asked how many permits would be expected.

Mr. Busch said that is the assumption, and typically would expect 300 building permits.

Chairman Takhar asked why there was a need to amend the General Plan, and why not leave it at 10 acres per 1,000 and give some sort of credit on the park impact fee that we will get through other funding sources such as grants, etc., rather than reduce the acreage in the General Plan.

Mr. Busch said that the change to the park standard included a proposal to modify the designation for neighborhood parks as well. Mr. Busch said the city will encourage the construction of community parks and regional parks versus smaller parks which will be required for smaller lot subdivisions.

Chairman Takhar opened the public hearing.

Darin Gale, Northstate BIA, 1153 Franklin Road, thanked staff for putting together the Ad-hoc Committee. Mr. Gale gave clarification to Commissioner Sanbrook's question regarding the build out projection of 130,000, and said specifically in the General Plan it is 109,000, and further on in the document, it talks about densities, etc. and as you multiply that, you come up with 130,000.

Mr. Gale stated that one of the issues the development community had is that there are actually parcels of land that will never be developed, and thinks that is the discrepancy between the two numbers. Mr. Gale said another issue is the 60-70% contingency costs on every project, and stated the development community would like to see the contingency costs down to 30%, which would be 15% for design, 10% contingency and 5% for administration, and said there is a substantial amount of money left for contingencies.

Mr. Gale said the fee credits versus reimbursement issue will cause problems for the City, and said there should be something different for developments immediately adjacent to the City. Mr. Gale said the sewer fee and the water fee is split 70%/30%, and said 70% goes toward the treatment facility and 30% goes toward the line, so a developer can only get a credit of 30 cents on the dollar, so it's really not dollar for dollar. Mr. Gale said new developments coming into the City will frown of the current credits, and said he feels that over time there can be a solution. Mr. Gale stated there is concern about the 70% to the treatment plant, and said developers feel that lift stations are part of the main line improvement, not the treatment plant, and feels there needs to be changes in that regard.

Commissioner Sanbrook if developers feel they should receive credit for lift stations in addition to the line.

Mr. Gale said absolutely, and said the lift stations are part of the lines, and anything on the other side of the levee should be given credit. Mr. Gale said he feels this isn't something that can be resolved at this meeting.

Mr. Gale said another big issue is the affordable housing, and said it is a social service issue, and doesn't feel that the new home buyer should have to subsidize the home of another person. Mr. Gale said the development community appreciates that the amount for affordable housing was cut in half (\$3500 down to \$1750). Mr. Gale suggested that an affordable housing task force be created and said review is needed before making recommendations to the Council. Mr. Gale said the development community appreciates the open government of the City of Yuba City.

Commissioner Sanbrook asked if the affordable housing issue was addressed with the Ad-hoc Committee.

Mr. Gale stated the issue of affordable housing was addressed and said he was encouraged to come to the Planning Commission meeting to express the concerns of the development community.

Edward Baker, Sutter County Housing Authority, 448 Garden Hwy., talked about the low income community and their inability to be able to buy a home in Yuba City, and spoke about the housing element. Mr. Baker agreed that affordable housing needs to be addressed.

Commissioner Flores stated there is the need to create better paying jobs for the community.

Mr. Baker said that was true, and that part of the equation is good paying jobs, but even now there are 10,000 families that exist in the whole county that need affordable housing, and the housing authority here is only able to help about 1,400, and has a waiting list of 2,000 families.

Gabriel Singh, 2949 Devon Court, Live Oak, talked about affordable housing, and said he questions why the Ad-hoc Committee reduced the affordable housing fee from \$3500 down to \$1750, and talked about

the people who live and work in this area who will deal with the impact of the lower fee after the developers leave. Mr. Singh stated it is very important that fees are increased not decreased, but should at least be kept at the \$3500, and said he is in agreement with Mr. Baker's views.

Tom Tucker, Harter Packing Company, 1321 Harter Road, stated he would rather see the \$1750 put into keeping the levee's maintained to keep flooding under control. Mr. Tucker stated people need to buy homes within their financial means, and spoke about the formation of an affordable housing committee.

Maynard Dunn, 251 B Street, congratulated the Ad-hoc Committee on all of their hard work. Mr. Dunn addressed #5 in the staff report regarding infill projects, and spoke about flooding and affordable housing. Mr. Dunn passed out a document to the Planning Commissioners to review scenario A, stating his concerns regarding the impact fee schedules, and spoke about the Central City Specific Plan.

Commissioner Starkey said the fees are aimed at a new home that will be built, not raw land, and said infill projects are looked at on an individual basis.

Mr. Dunn said there's nothing in the impact fees that addresses this issue at all.

Commissioner Starkey asked Mr. Busch for clarification.

Mr. Busch stated that the Ad-hoc Committee did recognize that there needed to be an incentive to encourage infill development and came up with a 50% reduction on water, sewer, and roads and parks fees, because it is in an older part of town, which in theory, has installed most of the required improvements. Mr. Busch said the way the fee would be addressed, is on a case by case basis, and as the project comes through, they would be given the 50% credit that is outlined if adopted, for the water, sewer, road and park fees. Mr. Busch stated that the other fee components will still be assessed on a phase in basis, but the levee fee would be required right away. Mr. Busch said this item has been addressed at the Ad-hoc Committee, and they felt that the proposed incentives were a good starting place.

Commissioner Starkey thanked Mr. Busch for the clarification.

Commissioner Sanbrook said once you develop the infill lot, you will have people living there if it is residential, which will impact police and fire, which it didn't prior to being developed.

Mr. Dunn stated everything is already in place in regards to fire, police, and said the only time there would be an impact is when you get the large developments, not the small infill projects.

Chairman Takhar asked Mr. Busch if out of the impact fees, was there anything indicating any expansions or new fire or police stations, or libraries in the redevelopment area or specific plan area due to impacts by infill development. Chairman Takhar said he questions the nexus requirement for the infill development as really having an impact to create new facilities in the redevelopment area as opposed to the new subdivisions west of town or south of town.

Mr. Busch stated the fees do address police expansion that is needed and a certain percentage is allocated to existing services, and said this is a challenging issue in terms of how much is really existing and proposed for development which goes along with staff's discussion with the Ad-hoc Committee. Mr. Busch stated this is something that will be forwarded to City Council.

Commissioner Sanbrook asked Mr. Dunn if he addressed his concerns to the Ad-hoc Committee.

Mr. Dunn stated he did not, and said he can understand why the committee didn't go into depth on the issue of infill. Mr. Dunn said he feels that everyone who builds should pay levee fees, and expressed his concerns about the fee structure assessed on the old part of town. Mr. Dunn said he feels that the downtown area should get a break on fees assessed, and fees need to be positively addressed.

There being no further testimony, Chairman Takhar closed the public hearing.

Commissioner Dukes asked for clarification on what action the Planning Commission can take.

Mr. Busch stated that the thoughts and recommendations of the Planning Commission will be forwarded on to the City Council, and said if there are components that they would like to recommend modifications to or additions to, they would be reported to the City Council.

Commissioner Sanbrook stated that if we want to be assured that infrastructure improvements necessary to support new development will be provided as development takes place, it seems the longer we delay the implementation of the revised fee structure, the further behind we get. Commissioner Sanbrook said he appreciates what the Ad-hoc Committee has done and recognizes that there is some merit in what they are trying to do under the present economic conditions. Commissioner Sanbrook said this has been studied for three years and if we want to phase in the new fees over a three year period, we are just getting further behind as far as the necessary infrastructure that is needed to accommodate new development. Commissioner Sanbrook said as far as infill projects are concerned, he feels that the Planning Commission should take the position that this is something that the Ad-hoc Committee and the Council need to take a serious look at and maybe come up with some more definitive guidelines on how it is going to be implemented.

Commissioner Didbal agrees with Commissioner Sanbrook, on the issue of fee implementation phase in. Commissioner Didbal further said this has been worked on for a long time and it needs to be moved forward because it is holding back on productive development in this area. Commissioner Didbal said she has concerns about the affordable housing fee and talked about her family's experience with working and living here, and how they were able to buy a home. Commissioner Didbal said there is the need to look at affordable housing, but we need to move forward with the implementation of the impact fees, so the city can grow, and provide needed jobs, transportation and all of those things that need to be taken care of. Commissioner Didbal stated she doesn't feel everyone should have to pay to for someone else to be able to afford a home, and there are people out there who were able to afford a \$300,000, \$400,000 \$500,000 home because they were determined to get there.

Commissioner Starkey applauded the efforts of the Ad-hoc Committee and the work they have done on getting to this point. Commissioner Starkey stated he also has concerns about affordable housing and agrees it is a social issue and it is unfortunate that SACOG is basically forcing us to foot this 10% affordable housing, and said something needs to be done, but he is not sure what. Commissioner Starkey said he is concerned about the phase in of the fees, but if there aren't any new building permits, it really wouldn't matter so maybe a phase in would be a realistic way to deal with the increase in the impact fees. Commissioner Starkey said in regards to infill, we need to do everything possible to encourage infill within the boundaries of the river and Hwy. 99 and the north and south portions, and said it has to be fair and equitable and thinks that in the past there has been the administrative discretion and that needs to be more objective and defined. Commissioner Starkey said he is concerned about the bonding and debt

service, and said that if we end up with less than 300 building permits issued within a year, we may not have the ability to service the debt and we need to make that happen.

Commissioner Dukes stated he has concerns about the mobile home impact fees which are about \$10,000 less than a single family residence, and stated a mobile home is a single family residence and wondered why it would get special consideration to reduce the fee. Commissioner Dukes stated that mobile homes will have the same impact that a single family home would, and is concerned that the lower fee might encourage more of that type of development, although it is affordable housing. Commissioner Dukes said he looks at the term “affordable housing” as a redistribution of wealth by taking from people who have achieved and done things and expecting them to give to someone who is not willing to do the same. Commissioner Dukes said he has a real problem with the affordable housing fee, and would like to see it removed altogether from the fee structure, and feels it is an unfair tax. Commissioner Dukes asked staff what is done with the money that is collected for affordable housing.

Mr. Busch stated that there hasn't been any in lieu housing fees collected as of yet, however, the intent is that there could be a variety of options that it can be used for. Mr. Busch stated it is an in-lieu fee and could be applied to either acquire properties for future partnerships with non-profit developers, or give the City the opportunity to work with the Sutter County Housing Authority to provide affordable housing.

Commissioner Dukes asked if the \$3500 affordable housing fee was an existing fee.

Mr. Busch said it was an existing fee that was approved by the City Council.

Chairman Takhar stated that this fee is in development agreements signed by developers.

Commissioner Dukes said as far as infill projects, he can think of other areas west of Hwy. 99, the older area of town, where there are plenty of vacant lots that can also be developed. Commissioner Dukes asked Mr. Busch if there is an existing neighborhood outside the infill boundary, could that neighborhood be exempted from the fee and get the same treatment that other infill projects do.

Mr. Busch said that discussion was raised during the Ad-hoc meetings, and advised caution because the same argument can be made for neighborhoods that were built within the last 5 years, and said some point and time there needs to be a reasonable test. Mr. Busch said that the reason the boundary remained on the east side of the highway was because it is an older redevelopment area, and located within the Central City Specific Plan.

Commissioner Dukes asked if there was any language or tests that could be included to allow for an appeal process for other property owners to be considered infill and request lower fees.

Mr. Busch stated that the existing fee ordinance allows for provisions that if anybody has a desire to appeal the fee process, they can make that request to the City Council, which is something that was discussed at the last workshop. Mr. Busch also responded to Commissioner Dukes' question regarding mobile home parks, and said that the basis for the reduction in fees was based on the lower number of persons per household in mobile home parks than a single family home.

Commissioner Flores had no comment.

Commissioner Sanbrook asked Mr. Busch if affordable housing is a legitimate element to be included in the impact fees.

Mr. Busch said yes, and that it was the recommendation of the Ad-hoc Committee to include those fees.

Commissioner Sanbrook asked if under the law, is it a legitimate element to be included in the impact fees.

Mr. Busch stated it is not part of the AB 1600 fee study, but that it was implemented by the City Council as part of the development agreement process for master plans.

Commissioner Sanbrook asked if we currently have a definition of what an infill project is.

Mr. Busch stated there is none except for the proposed boundary map.

Chairman Takhar stated he also has concerns regarding the phase in of the fees, and said the General Plan was adopted in 2004, and we are looking at a 4 year phase in as recommended by the Ad-hoc Committee which will put us into year 7 of the General Plan. Chairman Takhar said a General Plan is usually updated every 10 to 12 years, and that the City would be going into year 7 or 8 by the time fees are fully implemented that are needed to have the infrastructure that we need. Chairman Takhar would recommend to the Council the phasing in over a 2 year period with a 12 month freeze for the existing fees and a 1 year phase in.

Chairman Takhar stated that as far as infill projects in the redevelopment area east of Hwy. 99, he agrees that there does need to be a different fee schedule to encourage infill development, as some of those lots are a lot smaller than some that are being proposed for the new areas, which are being subdivided down into 2,000 to 3,000 square foot lots. Chairman Takhar stated the homes that will be built on those lots will probably be affordable housing homes that are sold off or rented to families that can afford to buy or rent them. Chairman Takhar said he would recommend to the Council that they adopt a 50% fee reduction for all fee categories except the levee fee which should be 100%.

Chairman Takhar stated that as far as impact fee credits for homes that have existed, ie. have been torn down, or burned years ago, and a new building permit is being pulled for it, there should be a one for one fee credit reimbursement. Chairman Takhar said that if there are two dwellings on one lot and that lot is later subdivided into 2, 3 or 4 lots, the developer should get credit for two homes, not one, or not get full credit for one and a partial credit for the second structure that might have been there years ago, it should be one for one, and said this should be written into the AB 1600 study as a clear policy.

Chairman Takhar said as far as the affordable housing fee, it is a bigger issue for our community and our society as a whole, but again as we bring in \$300,000 to \$400,000 homes, we create people that have the need to buy those homes, there are jobs created and then the need to fill those jobs, and the people that fill those jobs won't make \$100,000 a year. Chairman Takhar agrees there needs to be more discussion regarding affordable housing as it pertains to our particular community, and said he does support the \$3500 fee, and supports it at \$1750, but feels it needs to go back up to \$3500. Chairman Takhar said there was a study that was initiated and completed and provided to Council and staff that justifies a fee of up to \$10,000 to \$12,000 per unit, and said when Council adopted the SACOG compact, that was in lieu of adopting an inclusionary housing element. Commissioner Takhar stated there is a need for affordable housing as everyone won't be able to afford a market value home in their lifetime, and recommended the

fee stay in and that this be forwarded on to Council.

Mr. Busch said he will compile a list of the Planning Commissioners recommendations and forward those on to the City Council for the October 16<sup>th</sup> meeting.

Commission Discussion: - None

Other Business: - None

Report on Actions of the City Council:

Mr. Busch reported that the three General Plan and Rezone proposals that were approved by the Planning Commission on August 22, 2007, went before the City Council on October 2, 2007 (continued from September 18<sup>th</sup>), were approved, and the ordinances are going before the City Council on October 16<sup>th</sup> for adoption.

Adjournment: There being no further business, the meeting was adjourned at 9:08 p.m.

Respectfully submitted,

Roberta Kyle, Secretary  
YUBA CITY PLANNING COMMISSION