

CITY OF YUBA CITY  
STAFF REPORT

**Date:** November 20, 2018  
**To:** Honorable Mayor & Members of the City Council  
**From:** Administration  
**Presentation by:** Darin Gale, Deputy City Manager – Economic Growth & Public Affairs

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**Summary**

**Subject:** Yuba City Five-Year Residential Building Guide  
**Recommendation:** Adopt Future Foundations A Residential Building Guide and Action Plan to Encourage a Variety of New Residential Development  
**Fiscal Impact:** None at this time. However, the purpose of the housing strategy is to stimulate residential development within the City, which would result in positive long-term fiscal impacts.

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**Purpose:**

Stimulate residential development within the City with the goal to have profitable private enterprise balanced with quality development.

**Background:**

The City experienced a fast pace of growth in the early 2000s, with single-family dwelling permits peaking in 2004 at 991. Starting in 2006, with the downturn of the economy, the City saw a significant decline in new development. Even with the rebound of the economy, residential development has not returned in any great measure and issuance of single-family dwelling permits has held steady at approximately 50 per year for the past few years.

There are many factors thought to be contributing to the limited amount of residential development. Those factors include:

- Lack of improved parcels that were entitled and improved before the recession. These pre-recession lots provide home builders with discounted lots (this is the source of a significant amount of the current residential development in the Sacramento region).
- Development, when it does occur, will occur in the western portion of the Sphere of Influence where utilities are not currently readily available and the roadway network is not developed. This results in large upfront costs for development with no guarantee for reimbursement in a timely manner.
- There are few large acreage landowners in the developable area. This requires coordination with many smaller acreage landowners, which adds complexity to the process.
- National and regional homebuilders are not familiar with what Yuba City has to offer.

- There is not a large enough gap between Yuba City development costs and development costs for the Sacramento region to make it cost-effective to move to Yuba City and commute to the Sacramento region.

With all of these obstacles, staff recognizes the need to take steps to encourage development.

**Analysis:**

On September 18<sup>th</sup> the Council directed staff to establish a plan to encourage all types of residential development. Since that time staff held a meeting on October 1<sup>st</sup>, 2019 with our region’s builders, developers and engineers to receive comments on the City’s draft housing strategy and action plan. Additionally, staff presented to the Yuba Sutter Government Affairs committee on November 6<sup>th</sup> and spoke to a variety of active home builders throughout the Sacramento region. The culmination of these discussions is included in the attached Future Foundations: Residential Building Guide and Action Plan.

The purpose of the housing strategy is to provide potential developers and property owners with a broad overview of what Yuba City has to offer, and what the City plans to do to encourage residential development. The housing strategy is meant to be dynamic so that it can grow as staff finds programs or ideas that are working successfully for other agencies.

The housing strategy provides the regional and local setting for Yuba City, residential land availability, a brief overview of the City’s development impact fees, a development financing tool box, and a five-year action plan. The action plan includes specific actions the City is currently taking and additional actions to be considered in the near future. Below is a partial list of actions noted in the action plan:

- Continue Strengthening Streamlined CEQA and Development Processes
- Yuba City “Road Show” to Promote Yuba City Development Opportunities
- Encourage and Allow Phased Development Projects
- Identify Infill Development Opportunities
- Not Indexing AB 1600 Impact Fees for 2019
- Conduct Quarterly Meetings with Development Industries
- Consider Revisions to Development Standards (set back requirements, etc.)

**Fiscal Impact:**

None at this time. However, the purpose of the housing strategy is to stimulate residential development within the City, which would result in positive long-term fiscal impacts.

**Alternatives:**

1. Direct staff to modify the draft Residential Building Guide
2. Do not proceed with the implementation of the housing strategy.

**Recommendation:**

Adopt Future Foundations A Residential Building Guide and Action Plan to Encourage a Variety of New Residential Development

**Attachment:**

1. Future Foundations – Residential Building Guide & Action Plan
2. Residential Development Action Plan

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# ATTACHMENT 1



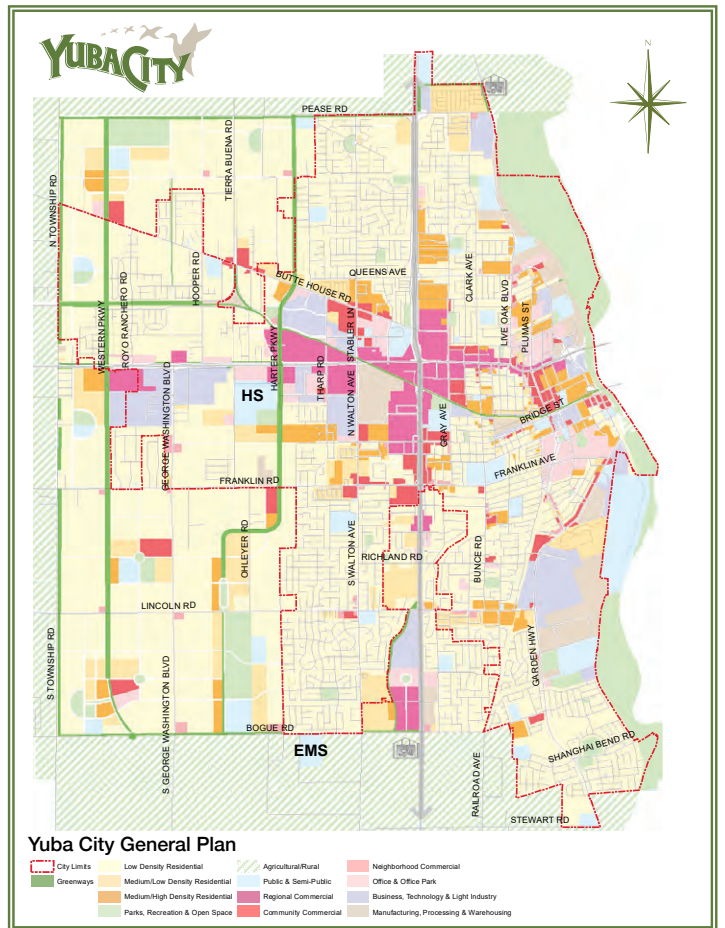
YUBA CITY



# Future Foundations

## RESIDENTIAL BUILDING GUIDE

*Partnering With Yuba City:  
What To Know About Residential Development*



**New 4-Lane  
5th Street Bridge  
Funded by Grants**



## I. INTRODUCTION

WELCOME TO YUBA CITY. We are open for business for new housing. This Residential Building Guide provides relevant information needed to develop a full range of housing types in Yuba City, including affordable housing, single-family residential, tiny homes, multi-family residential, etc. As the City is interested in continued growth and prosperity, this booklet is designed to provide both builders and developers with accurate data about the City’s residential growth potential.

## II. REGIONAL SETTING

Yuba City is a growing, prospering city of approximately 67,000 residents located in the lower Sacramento Valley. Located near the Sutter Buttes, Yuba City serves the northern portion of the Sacramento Region. As the largest city between Sacramento and Chico, it serves as the sub-regional hub for retail, medical services, and employment for nearly 200,000 residents in much of Sutter, Yuba, and Colusa Counties, and southern Butte County.

State Route 99 bisects the City connecting between Stockton, Sacramento, Chico, and Redding. While State Route 99 is the principle north/south route, State Route 20, which also traverses the City, serves as the key east/west route between coastal Highway 101, passing through Mendocino and Lake Counties, Yuba City, Marysville, Beale Air Force Base, Grass Valley, and Nevada City, and connecting with Interstate 80 near the Sierra summit.

With minimal local peak hour congestion, it is a relatively easy commute to and from Sacramento and Roseville.

<b>Distance (in miles) to:</b>	Sacramento . . . . .	<b>42</b>
	Roseville . . . . .	<b>43</b>
	Chico . . . . .	<b>46</b>
	San Francisco . . . . .	<b>119</b>
	Lake Tahoe . . . . .	<b>142</b>
	Napa . . . . .	<b>91</b>

## III. LOCAL SETTING

Yuba City retains a small town atmosphere within a comfortable drive to Sacramento. It is a full service city providing exceptional police, fire, water, wastewater, storm-water drainage, parks, and recreational programs.

Rich agricultural lands consisting primarily of walnut, almond, peach, and prune orchards, as well as other annual crops surround the City on three sides. The picturesque Feather River borders the fourth side. While the agricultural industry is predominant, there are also a significant number of employment opportunities in the medical, educational, retail, and service industries.

Led by a pro-growth City Council and abundant space for expansion, Yuba City provides plenty of opportunities for development. The 15-square mile City has a 24 square mile sphere of influence (the area the City can grow into), which provides excellent growth opportunities. The City’s only natural boundary is the Feather River along its east side, for which the City has about seven miles of beautiful river frontage (e.g. Feather River Parkway).

The U.S. Census establishes the Yuba City Metropolitan Statistical Area (MSA) consisting of both Sutter and Yuba Counties as its own region, abutting the Sacramento MSA. The Census MSA and the State provide an abundance of statistical data for the City and the bi-county area.

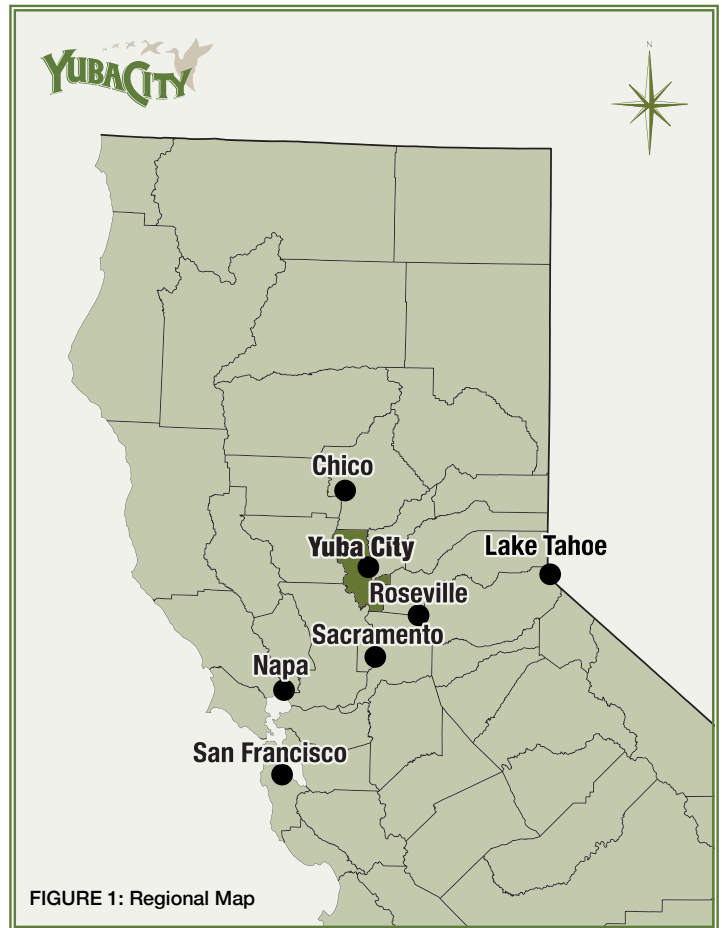


FIGURE 1: Regional Map

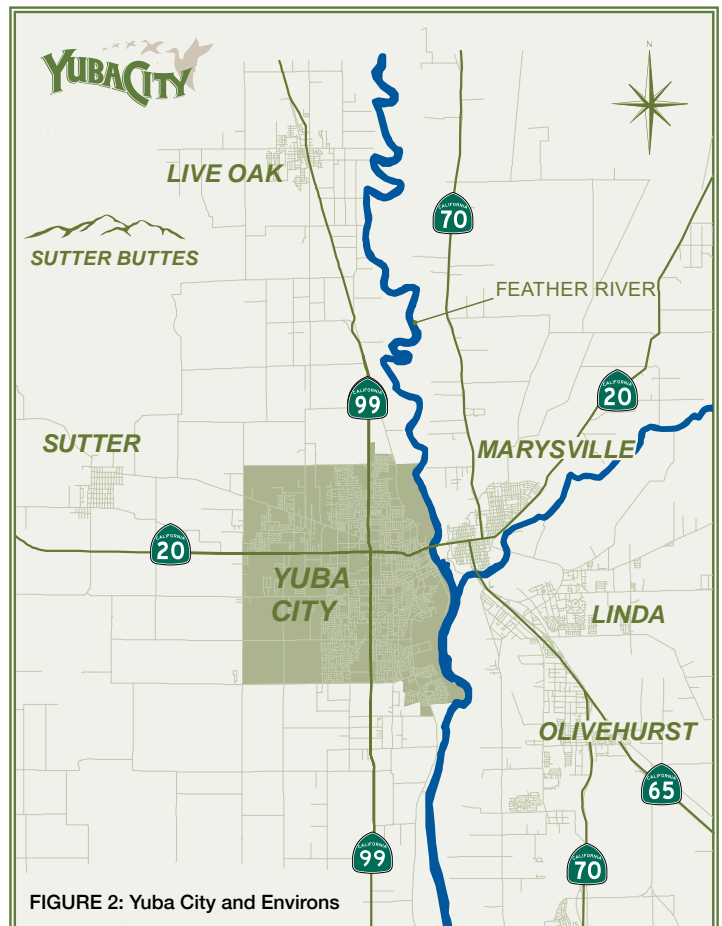


FIGURE 2: Yuba City and Environs



## IV. RESIDENTIAL LAND AVAILABILITY

Within the City’s sphere of influence there is capacity for an estimated 22,000 new homes. Within the City limits there is adequate land designated for an estimated 4,800 new homes.

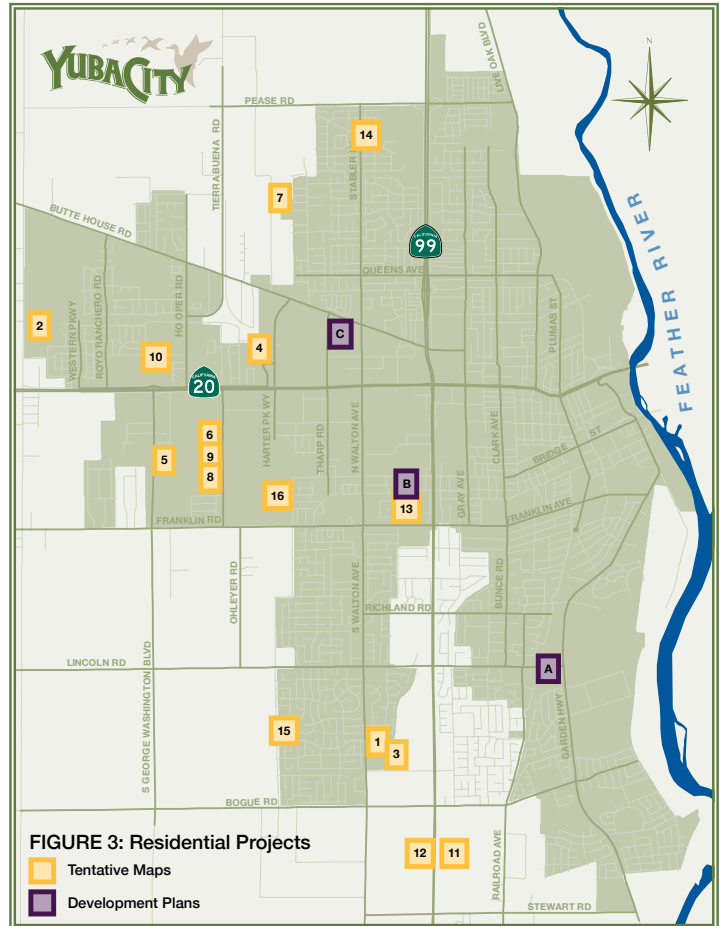
There are several Specific Plans and Master Plans that have potential for significant residential growth. This includes the Harter Specific Plan, Lincoln East Specific Plan, and the Bogue-Stewart Master Plan (anticipated adoption in 2019).

### ACTIVE SINGLE-FAMILY RESIDENTIAL PROJECTS

There are numerous subdivisions ranging from in-process applications to finished lots. **Table 1** provides an overview of active subdivision maps while **Figure 3** provides their location.

### MULTIPLE-FAMILY RESIDENTIAL PROJECTS

There are several approved, yet to be constructed multiple-family developments, with an abundance of additional land designated for multiple-family development. **Table 2** provides a summary of said projects, while **Figure 3** identifies their location.



**Table 1: Active Subdivision Maps**

Fig. 3 Map Ref.	Subdivision	Name (status)	No. of Lots
1	TSM 05-05	Sutter Heritage (approved)	162
2	TSM 05-06	Walnut Park West (approved)	277
3	TSM 08-01	Sutter Heritage (approved)	24
4	TSM 06-04	Harter Estates South (approved)	75
5	TSM 13-01	Chohan (tentative)	141
6	TSM 13-02	Haynes (tentative)	46
7	TSM 14-01	Valencia Estates (finalized)	39
8	TSM 14-02	Ahler (tentative)	92
9	TSM 14-04	Struckmeyer (tentative)	42
10	TSM 14-05	Faith Christian (approved)	10
11	TSM 14-07	Newkom Ranch (tentative)	427
12	TSM 15-03	Kells East Ranch (tentative)	147
13	TSM 16-04	Yuba Crossings (approved)	53
14	TPM 17-02	Stabler Parcel Map (approved)	4
15	TPM 17-04	Sanborn Parcel map (approved)	3
16	TSM 18-01	Perkins Ranch Estates (tentative)	221
<b>Total</b>			<b>1,763</b>

**Table 2: Approved Multiple-Family Residential Projects**

Fig. 3 Map Ref.	Project Number/Name	No. of Units
A	GPA 15-01 Rivers Edge Apts.	168
B	GPA 16-07 Yuba Crossings	26
C	DP 17-02 Tharp Apts.	38



## V. RESIDENTIAL DEVELOPMENT IMPACT FEES

Our local public agencies strive to efficiently provide quality services to our citizens and businesses. Growth requires that local agencies expand these services. Development impact fees pay directly for the expansion of those services commensurate with the City's growth. The affected agencies that provide those services include Yuba City, Sutter County, Sutter Butte Flood Control Agency (levee), and our local schools.

To minimize upfront costs to the developer/builder the City allows the deferment of impact fee payment until a certificate of occupancy is issued.

**Table 3: New Single-Family Residence Fees**

Infrastructure Type	Fee <sup>1</sup>
Water Connection (includes meter)	\$9,100
Wastewater Connection	\$7,115
Impact Fees:	\$32,309
-Yuba City	\$24,930
-Sutter County	\$3,596
-Levee	\$3,783
Total	\$48,524
School District (\$2.63 sq. ft.) <sup>2</sup>	\$5,260
Building Permit <sup>2</sup>	\$1,195
Drainage	Varies depending on location

<sup>1</sup> Effective July 1, 2018.

<sup>2</sup> Assumes a 2,000 square foot single-family residence.

<sup>3</sup> Assumes a 950 square foot apartment in a 100-unit complex with a 3-inch water line.

<sup>4</sup> Per unit.

**Table 4: New Multiple-Family Residence Fees**

Infrastructure Type	Fee <sup>1</sup>
Water Connection <sup>3, 4</sup>	\$1,336
Wastewater Connection <sup>4</sup>	\$6,403
Impact Fees <sup>3, 4</sup>	\$21,639
-Yuba City	\$16,351
-Sutter County	\$2,577
-Levee	\$2,712
Total	\$29,378
School District (\$2.63 Sq. ft.) <sup>3</sup>	\$2,500
Building Permit <sup>3</sup>	\$1,266
Drainage	Varies depending on location

## VI. REDUCED FEES WITHIN INFILL AREAS

In the traditional areas of Yuba City (**Figure 4**), the infrastructure was constructed years ago. However, there are remaining vacant or underutilized properties that can be developed. Due to the lower infrastructure cost and to encourage infill development (thereby saving agricultural land), Yuba City offers an approximately 48 percent discount on its development impact fees within the designated areas. More precisely, this translates to a savings of approximately \$12,178 for a new single-family residence and \$7,985 per multiple-family residence.

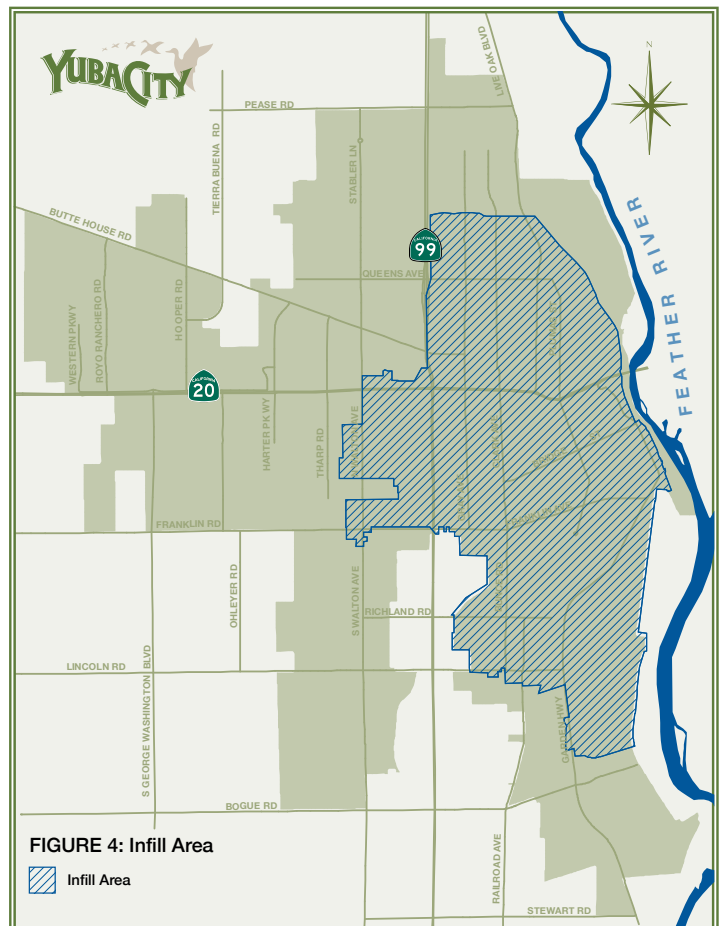
## VII. FINANCING TOOL BOX

In order to encourage development, the City will consider a broad range of financing options, including but not limited to:

### LAND SECURED FINANCING

Land secured financing for public facilities generally involve either Assessment Districts (AD) or Community Facility Districts (CFD). Given the flexibility needed to meet the unique needs within a project, a CFD would likely be the selected form of land secured financing, although AD's remain an alternative mechanism.

The Mello Roos Community Facilities District Act of 1982 establishes a means to finance certain public facilities and services through the sale of CFD bonds. A Mello Roos CFD



can be used to finance the purchase, construction, expansion, improvement or, rehabilitation of real property with a useful life of five years or more.

Similar programs include the Statewide Community Infrastructure Program (SCIP) or the Bond Opportunities for Land Development (BOLD) Program.

The maximum tax burden guideline is 2.0% of the estimated assessed value of the home, although a rate exceeding 1.7% is not recommended.

### PRIVATE FINANCING

Cash, funds from private investors, lines of credit, conventional lending sources and other sources, of private financing may be utilized to construct public improvements and facilities.

### PRIVATE COST SHARING/REIMBURSEMENT AGREEMENT

Public improvements that directly benefit other properties within a project or outside of a project (regional share) may be financed through a share of costs allocated among properties based on an equitable cost allocation factor. In the case where one property develops and constructs the necessary public improvements that also benefit other properties before the other benefitting properties are developed, the provider of the shared public improvement is entitled to reimbursement of costs.

### AREA OF BENEFIT/ZONE OF BENEFIT (“AOB/ZOB”)

The purpose of an AOB/ZOB is to make a provision for assessing property as a condition of approval of a subdivision, condition of development approval, or as a condition of issuing a building permit. An AOB/ZOB may be established so long as the construction of public improvements provided for by the AOB/ZOB is required by subsequent developments, and that the assessments are fairly apportioned within the area on either:

- (i) The basis of benefits conferred on property proposed for development; or
- (ii) The need for such Public Improvements created by the proposed development and development of other property within the area.

### HOMEOWNERS ASSOCIATIONS

While not a source of financing, some developers may prefer a gated community to privatize their streets and potentially other improvements that are typically publically owned. In addition to the perceived benefits of greater security and privacy, it may also be financially beneficial for the developer.

### OTHER

The City will consider other financing mechanisms such as Enhanced Infrastructure Finance Districts (EIFD) if the programs are financially feasible for all parties involved.





## VIII. CITY UTILITIES

Yuba City is dedicated to providing a reliable and efficient infrastructure system that supports the City's growth.

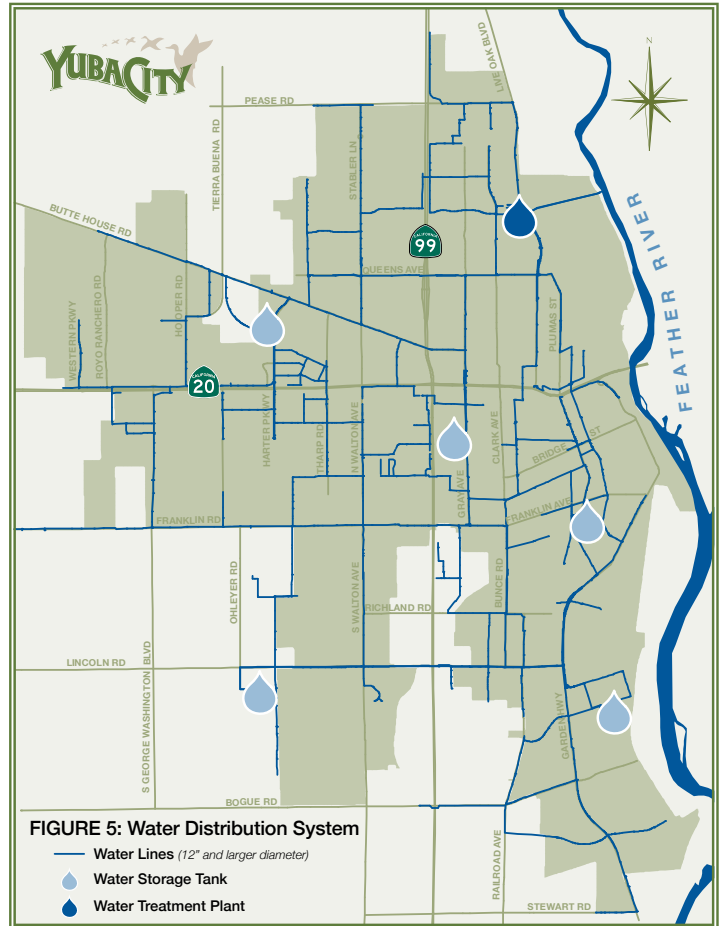
### WATER SYSTEM

The City provides a state of the art water treatment facility with an available supply of high quality Feather River water. Two hundred and sixty-five miles of transmission and distribution lines, ranging in size from 3 inches to 36 inches, serve the area.

The City provides water to a service population of approximately 71,070 people through 18,697 connections. The City has water rights to 29,600 acre-feet from the Feather River, plus a well that can produce an additional 2,200 acre-feet annually. With an abundance of ground water, should the need arise, the City has three additional wells, with a fourth well in the planning stages.

Over the last five years the average annual consumption has been 16,361 acre-feet. The maximum daily demand ranges from 24.87 million gallons per day (mgd) in 2011 to 14.6 mgd in 2016 (drought year conservation). The current maximum daily capacity is 30 mgd.

The City is also finalizing an update to the Water Master Plan (to be completed by the end of 2018). The water treatment plant is designed to be expanded to serve the entire sphere of influence.

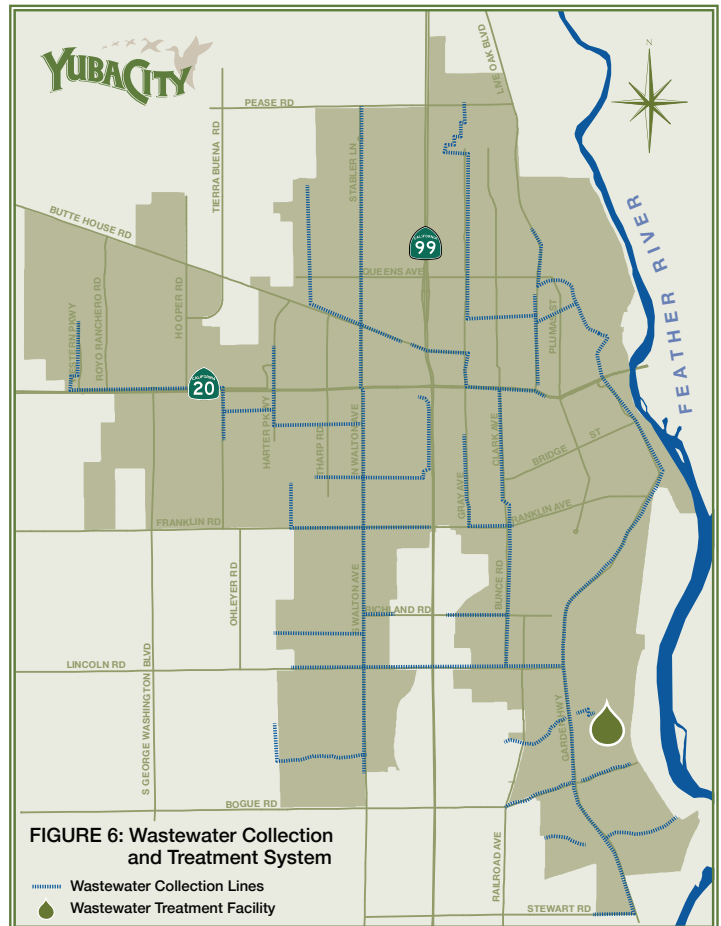


### WASTEWATER COLLECTION & TREATMENT

The City wastewater collection and treatment system serves 14,595 connections, with an average dry weather influent flow of 6.5 mgd.

The plant has capacity of 10.5 mgd through advanced secondary processing.

The wastewater treatment plant is designed to be expanded to serve the City's entire Sphere of Influence. The next update of the Wastewater Master Plan is 2019.



## IX. FLOOD PROTECTION

The City is not in a flood zone; flood insurance is not required. The City has 200-year flood protection due to its recently reconstructed levee system along the Feather River.

## X. RECENT COMMERCIAL ACTIVITY

Yuba City is a retail hub for much of Sutter, Yuba, Colusa and southern Butte Counties. In recent years the City has seen an abundance of commercial development, as depicted in **Figure 7**.



**FIGURE 7: Commercial Development**

## XI. CONTACT US

For further information and/or questions please contact:

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 Deputy City Manager  
 Economic Growth &  
 Public Affairs  
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 dgale@yubacity.net

YUBA CITY

*Future  
Foundations*  
RESIDENTIAL BUILDING GUIDE

*For further information, contact Darin  
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Growth & Public Affairs, at (530) 822-4762  
or [dgale@yubacity.net](mailto:dgale@yubacity.net).*





# ATTACHMENT 2



# Residential Development Action Plan



## SHORT-TERM ACTION ITEMS (WITHIN 1 YEAR)

- » Identify builders active in the Sacramento region
- » Conduct “Road Shows” to promote Yuba City
- » Conduct quarterly meetings with the development industry
- » Draft building plans for infill projects and accessory dwellings
- » Promote development of accessory dwelling units
- » Consider not indexing AB1600 impact fees for 2019
- » Continue to strengthen streamlining efforts for City permitting to reduce building permit timelines
- » Encourage housing development on vacant land including publicly-owned land
- » Advocate for State legislative changes that can create more housing opportunities, such as:
  - Exempt broader categories of housing from CEQA
  - Develop additional permanent housing financing options
  - Promote reestablishment of “redevelopment-type” mechanism
  - Refine grant programs to ensure that Yuba City is considered a rural or “small” economically disadvantaged community

## LONG-TERM ACTION ITEMS

- » Identify under-developed or undeveloped infill lots
- » Create Community Facilities Districts for financing of infrastructure
- » Encourage development adjacent to areas with available underground utilities to reduce the upfront utility construction required
- » Analyze suggested changes to setback requirements (zero lot line projects)
- » Identify options for improvements to be phased in over time
- » Establish a process for construction of alternative housing types such as tiny homes
- » Evaluate the potential to create higher residential densities Citywide to allow smaller, more affordable units
- » Proactively identify infrastructure needs and costs to fund infrastructure ahead of development

