

CITY OF YUBA CITY
STAFF REPORT

Date: December 18, 2018
To: Honorable Mayor & Members of the City Council
From: Administration
Presentation by: Darin Gale, Interim Director Development Services

Summary

Subject: City and County AB 1600 Impact Fee Agreement

Recommendation: Adopt the Resolutions and Authorize the Mayor to Sign a Development Impact Fee Collection Agreement Between the City of Yuba City and the County of Sutter for Development Impact Fees Collected Within Both Jurisdictions

Fiscal Impact: These dollars will be held in separate funds for each jurisdiction. There is no negative impact to the General Fund or any related City funds.

Purpose:

Entering into this agreement will set a formal agreement between the City and County to ensure timely disbursement of collected development fees to the appropriate agencies.

Background:

The City of Yuba City (City) and County of Sutter (County) have the common power of collecting Development Impact Fees within their respective jurisdictions. The City and County have traditionally assisted one another in the collection of these fees by allowing individuals who are seeking building permits to pay City fees to the County and County fees to the City; which the collecting agency then forwards the respective fees to the other agency. This practice has become beneficial to customers of both jurisdictions since it enables all fees to be paid at one time and in one location.

The County and City would like to formalize this practice by entering into a Development Impact Fee Collection Agreement. The formation of this agreement is authorized by the provisions of Title I, Division 7, Chapter 5, of the California Government Code; which allow public agencies to jointly exercise any powers which they have in common.

Analysis:

Once this agreement is signed the City will provide the County with all funds that have been collected to date and the County will do the same. In the following years these funds will be dispersed on an annual basis.

The Sutter County Board of Supervisor approved this agreement at the December 4, 2018 Board Meeting.

Fiscal Impact:

These dollars will be held in separate funds for each jurisdiction. There is no negative impact to the General Fund or any related City funds.

Alternatives:

1. Approve the proposed agreement with edits

Recommendation:

Authorize the Mayor to Sign a Development Impact Fee Collection Agreement Between the City of Yuba City and the County of Sutter for Development Impact Fees Collected Within Both Jurisdictions

Attachment:

1. Development Impact Fee Resolution
2. Impact Fee Agreement

Prepared by:

/s/ Darin Gale

Darin Gale
Interim Director Development Services

Submitted by:

/s/ Steven C. Kroeger

Steven C. Kroeger
City Manager

Reviewed by:

Finance

City Attorney

RB

SLC via email

ATTACHMENT 1
Resolution Development Impact Fees

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
AUTHORIZING THE MAYOR TO SIGN A DEVELOPMENT IMPACT FEE COLLECTION
AGREEMENT BETWEEN THE CITY OF YUBA CITY AND THE COUNTY OF SUTTER FOR
DEVELOPMENT IMPACT FEES COLLECTED WITHIN BOTH JURISDICTIONS**

WHEREAS, the City of Yuba and the County of Sutter have the common power of collecting development impact fees within their respective jurisdictions; and

WHEREAS, the City and County have traditionally assisted one another in the collection of the fees by allowing individuals who are seeking building permits to pay City fees to the County and County fees to the City; which then the collecting agency then forwards the respective fees to the other agency; and

WHEREAS, this practice has become beneficial to customers of both jurisdictions since it enables all fees to be paid at one time and in one location; and

WHEREAS, the County and City would like to formalize this practice by entering into a Development Impact Fee Collection Agreement; and

WHEREAS, the City Council desires to approve such Development Impact Fee Collection Agreement and authorize the Mayor to execute the same on behalf of the City of Yuba.

BE IT RESOLVED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF YUBA CITY AS FOLLOWS:

Section 1. The recitals set forth above are true and correct and incorporated herein by this reference.

Section 2. The City Council of the City of Yuba City, approves the "Impact Fee Collection Agreement," attached hereto as Exhibit "A," and authorizes the Mayor to execute the same on behalf of the City subject to approval as to legal form by the City Attorney.

Section 3. This Resolution shall become effective immediately.

The foregoing Resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 18th day of December, 2018.

AYES:

NOES:

ABSENT:

ATTEST:

Shon Harris, Mayor

Patricia Buckland, City Clerk

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY

Shannon Chaffin, City Attorney
Aleshire & Wynder, LLP

ATTACHMENT 2

IMPACT FEE COLLECTION AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of December 2018, by and between the CITY OF YUBA CITY, a municipal corporation (hereinafter referred to as "CITY") and COUNTY OF SUTTER, a political subdivision of the State of California (hereinafter referred to as "COUNTY").

RECITALS

A. The COUNTY and CITY have the common power of collecting Development Impact Fees (hereinafter referred to as "Impact Fees") within their respective jurisdictions;

B. The COUNTY and CITY have traditionally assisted one another in the collection of said fees by allowing individuals who are seeking building permits to pay CITY fees to the COUNTY and COUNTY fees to the CITY. This practice allows all fees to be paid at one time and at one location. The collecting agency then forwards those fees to the other agency.

C. The COUNTY and CITY would like to formalize this practice by entering into this agreement which is authorized by the provisions of Title I, Division 7, Chapter 5, of the California Government Code which allow public agencies to jointly exercise any powers which they have in common.

AGREEMENT

The parties agree as follows:

1. Obligation of the CITY:
 - a. CITY Duty to Collect Fees. CITY shall collect the County Impact Fees for non-exempt property in the incorporated areas of Yuba City under the terms and conditions of this Agreement. For purposes of this agreement, a property is exempted from collection of Impact Fees on replacement homes, replacement businesses having the same square footage, and public facilities. The amounts of such Impact Fees are set forth in Exhibit A attached hereto.
 - b. Amendment of Fees. As and when such Impact Fees are modified by COUNTY, COUNTY shall provide written notice of the modification to CITY together with copies of the COUNTY documents showing valid approval of the modified fees. Exhibit A.
 - c. Fee Receipt. When the CITY collects the Impact Fee for each non-exempt property, it shall provide a receipt of payment of the Impact Fee (the "Fee Receipt").

d. Time of Collection of Fees. The CITY shall collect the Impact Fees at the time of issuance of a certificate of occupancy, or upon final inspection, whichever comes first, or at the time of issuance of a building permit if the provisions of Government Code section 66007 are met by COUNTY. The impact fee shall be calculated based upon the date of payment. COUNTY shall provide CITY with written notification of the COUNTY's compliance with the requirements of Section 66007.

e. Accounting and Payment. As and when Impact Fees are collected by CITY as hereinabove provided, CITY shall deliver the full amount of the Impact Fees, net any bank processing fees, to the CITY Finance Department, where the Impact Fees will be deposited in one of three separate accounts: "County of Sutter General Government Impact Fee," "County of Sutter Criminal Justice Impact Fee," and "County of Sutter Health & Social Services Impact Fee" (collectively referred to as "Impact Fee Accounts"). Each year, on or before the 15th day of September, CITY shall issue a warrant to COUNTY equal to the balance in the Impact Fee Accounts.

f. Building Permit Information. In addition to the information in subsection e above, CITY shall annually prepare and submit to COUNTY with the warrant a list of all building permits issued by the CITY for the period covered by the warrant, and the list shall include the following information: 1) type of development project; 2) site address and Assessor's Parcel number of developed parcel; and 3) name of permittee.

g. CITY Good Faith Reliance. CITY and its officials, officers, agents, and employees shall be held harmless by COUNTY and shall incur no liability in acting or proceeding in good faith upon any ordinance, resolution, notice, request, consent, waiver, certificate, statement or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by COUNTY or any official, officer, agent, or employee of COUNTY relating to the Impact Fees. Neither CITY nor any of their officials, officers, agents or employees shall be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements.

2. Obligations of the COUNTY:

a. COUNTY Duty to Collect Fees. COUNTY shall collect the Impact Fees for non-exempt property outside City limits and within the City's Sphere of Influence under the terms and conditions of this Agreement. As with section 1a, a property is exempted from collection of Impact Fees on replacement homes, replacement businesses having the same square footage, and public facilities. The amounts of such Impact Fees are set forth in Exhibit B attached hereto. As and when such Impact Fees are modified by CITY, CITY shall provide written notice of the modification to COUNTY together with copies of the CITY documents showing valid approval of the modified fees. When the COUNTY collects the Impact Fee for each non-exempt property, it shall provide a receipt of payment of the Impact Fee (the "Fee Receipt"). The Fee Receipt shall contain the Assessor's Parcel Number or other description sufficient to specifically identify the location of the property, the type of development and the amount of the Impact Fees collected for each structure.

b. Time of Collection of Fees. The COUNTY shall collect the Impact Fees at the time of issuance of a certificate of occupancy, or upon final inspection, whichever comes first, or at the time of issuance of a building permit if the provisions of Government Code section 66007 are met by CITY. The impact fee shall be calculated based upon the date of payment. CITY shall provide COUNTY with written notification of the CITY's compliance with the requirements of Section 66007.

c. Accounting and Payment. As and when Impact Fees are collected by COUNTY as hereinabove provided, COUNTY shall deliver the full amount of the Impact Fees, net any bank processing fees, to the COUNTY Auditor, where the Impact Fees will be deposited in one of three separate accounts: "City of Yuba City Fire Protection Fee," "City of Yuba City Levee Impact Fee," "City of Yuba City Roads Impact Fee," and "City of Yuba City Parks & Rec Impact Fee" (collectively referred to as "Fee Impact Accounts"). For purposes of clarification, the fee for fire prevention is collected for the City of Yuba City outside the City limits and around the Yuba City urban area is for the CSA Area G or the former Walton Fire District. This area extends beyond the Sphere of Influence. Each year, on or before the fifteenth day of September, COUNTY shall issue a warrant to CITY equal to the balance in the Impact Fee Accounts. In addition, COUNTY shall annually prepare and submit to CITY with the warrant a list of all building permits issued by the COUNTY for the period covered by the warrant, and the list shall include the following information: 1) type of development project; 2) site address and Assessor's Parcel number of developed parcel; 3) name of permittee; and 4) square footage of each structure.

d. COUNTY Good Faith Reliance. COUNTY and its officials, officers, agents, and employees shall be held harmless by CITY and shall incur no liability in acting or proceeding in good faith upon any ordinance, resolution, notice, request, consent, waiver, certificate, statement or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by CITY or any official, officer, agent, or employee of CITY relating to the Impact Fees. Neither COUNTY nor any of their officials, officers, agents or employees shall be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements.

3. Indemnity.

a. The COUNTY shall defend (with counsel acceptable to CITY), indemnify and hold harmless CITY for any losses incurred as a result of imposition or collection of the Impact Fees, including claims, demands, protest, or causes of action and/or judgments, including attorney's fees and costs, except to the extent that any losses are as a result of CITY's, or its officers', employees' or agents' misconduct or negligence. CITY shall provide COUNTY with reasonable notice of the claim or challenge.

b. The CITY shall defend (with counsel acceptable to COUNTY), indemnify and hold harmless COUNTY for any losses incurred as a result of imposition

or collection of the Impact Fees, including claims, demands, protest, or causes of action and/or judgments, including attorneys fees and costs, except to the extent that any losses are as a result of COUNTY's, or its officers', employees' or agents' misconduct or negligence. COUNTY shall provide CITY with reasonable notice of the claim or challenge.

4. Impact Fee Ordinance:

a. COUNTY shall at all times during the term of this Agreement have in place and in effect Impact Fees adopted by ordinance. CITY shall have no obligation to collect the Impact Fees hereunder unless the COUNTY has adopted, imposed and levied such Impact Fees in accordance with the provisions of Government Code section 66000 et seq.

b. CITY shall at all times during the term of this Agreement have in place and in effect Impact Fees adopted by ordinance. COUNTY shall have no obligation to collect the Impact Fees hereunder unless the CITY has adopted, imposed and levied such Impact Fees in accordance with the provisions of Government Code section 66000 et seq.

5. Failure to Collect.

a. It is agreed between the parties hereto that CITY shall pay to COUNTY only those Impact Fees actually collected, and that failure of CITY to collect any fee shall not result in any liability on the part of CITY to COUNTY for those uncollected fees.

b. It is agreed between the parties hereto that COUNTY shall pay to CITY only those Impact Fees actually collected, and that failure of COUNTY to collect any fee shall not result in any liability on the part of COUNTY to CITY for those uncollected fees.

6. Termination of Agreement. Either party may terminate this Agreement without cause upon providing to the other party hereto a notice of the intent to cancel the agreement at least six (6) months in advance of the effective date of the cancellation.

7. Notices. Any notices or communication required or permitted hereunder shall be in writing and sufficiently given if delivered in person or sent by certified or registered mail, return receipt requested, postage prepaid, as follows:

If to the County:

County of Sutter
County Administrative Officer
1160 Civic Center Boulevard, Suite A
Yuba City, California 95993

If to City:

City of Yuba City
City Manager
1201 Civic Center Boulevard
Yuba City, California 95993

8. Waiver. The waiver by either party or a breach of any provision of this Agreement by the other party shall not operate or be construed to operate as a waiver of any subsequent breach. The making or the acceptance of a payment by either party with knowledge of the existence of a breach shall not operate or be construed to operate as a waiver of any subsequent breach.

9. Defenses.

a. Nothing in this Agreement or the execution hereof by the CITY shall be, or shall be construed to be, a waiver of CITY's right to assert as a defense or as an affirmative allegation that it may impose or require the collection of the Impact Fees within the unincorporated territory of Sutter County without the consent of the COUNTY.

b. Nothing in this Agreement or the execution hereof by the COUNTY shall be, or shall be construed to be, a waiver of COUNTY's right to assert as a defense or as an affirmative allegation that it may impose or require the collection of the Impact Fees within the incorporated territory of Sutter County without the consent of the CITY.

10. No Exclusive Remedy. No remedy conferred herein upon or reserved to the parties hereto is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any failure to comply with any term or condition of this Agreement shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

11. Entire Agreement. The provisions of this Agreement shall constitute the entire agreement between the parties. This Agreement may be modified only by written agreement duly executed by the parties hereto.

12. Mutual Covenant to Cooperate. COUNTY and CITY agree to cooperate with one another in all respects necessary to ensure the successful consummation of

the actions contemplated by the Agreement, and each will take all actions within its authority to ensure cooperation of its officials, officers, agents and employees.

IN WITNESS WHEREOF the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Agreement to be executed by setting hereunto their signatures this _____ day of December 2018.

COUNTY OF SUTTER

CITY OF YUBA CITY

By: _____
DAN FLORES
Chairman, County of Sutter

By: _____
SHON HARRIS
Mayor, City of Yuba City

ATTEST:

DONNA M. JOHNSTON, CLERK

By: _____
Deputy

APPROVED AS TO FORM
SUTTER COUNTY COUNSEL

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY

By _____
WILLIAM J. VANASEK
ASSISTANT COUNTY COUNSEL

By: _____
SHANNON L. CHAFFIN
CITY ATTORNEY

Exhibit A: City collection of County Fees

	Residential Land Uses				Non-Residential Land Uses		
	Single Family (Per Unit)	Duplex to Fourplex (Per Unit)	Five+ Units / Apartment (Per Unit)	Mobile Homes (Per Unit)	Commercial (Per 1K SF)	Office (Per 1K SF)	Industrial (Per 1K SF)
General Government	\$1,158	\$1,004	\$830	\$691	\$186	\$265	\$93
Criminal Justice	\$1,098	\$951	\$787	\$655	\$176	\$251	\$88
Health & Social Services	\$1,340	\$1,161	\$960	\$799	\$215	\$307	\$108

Exhibit B: County collection of City Fees

	Residential Land Uses				Non-Residential Land Uses		
	Single Family (Per Unit)	Duplex to Fourplex (Per Unit)	Five+ Units / Apartment (Per Unit)	Mobile Homes (Per Unit)	Commercial (Per 1K SF)	Office (Per 1K SF)	Industrial (Per 1K SF)
Fire Protection	\$1,644.97	\$1,505.45	\$1,181.37	\$1,035.43	\$255.59	\$320.33	\$90.07
Road	\$10,991.46	\$11,612.00	\$6,367.27	\$6,700.97	\$9,237.41	\$3,324.13	\$566.13
Parks and Recreation	\$7,445.28	\$6,817.29	\$5,349.48	\$4,687.49	-	-	-
Levee	\$3,783.01	\$3,278.95	\$2,711.61	\$2,257.48	\$605.51	\$864.82	\$302.75