

CITY OF YUBA CITY  
STAFF REPORT

**Date:** December 17, 2019  
**To:** Honorable Mayor & Members of the City Council  
**From:** Public Works Department  
**Presentation by:** Diana Langley, Public Works Director

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**Summary**

**Subject:** Development Impact Fees

**Recommendation:** A. Adopt a Resolution authorizing that the current Development Impact Fees, including Water and Wastewater Connection Fees, remain in effect until otherwise modified by the City Council

B. Designate two Councilmembers to steer the Ad Hoc Development Impact Fee Committee to be formed for a period of not more than one year

**Fiscal Impact:** Costs associated with staff time to support the Committee

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**Purpose:**

Evaluate the City's Development Impact Fees in an effort to increase development within the City.

**Background:**

City Council held a special workshop on December 2, 2019, to discuss the City's Development Impact Fees (Impact Fees). Based on the discussion, staff is providing the following for consideration and action by the Council:

- Whether to freeze Impact Fees at the current level; and
- Whether to form an Ad Hoc Development Impact Fee Committee comprised of two Councilmembers, staff, and representatives from Yuba City Unified School District, Sutter County, and the builder/developer community, as needed

**Analysis:**

Impact Fees, with the exception of Water and Wastewater Connection Fees, are updated on an annual basis on January 1 of each year. Water and Wastewater Connection Fees are updated on an annual basis on July 1 of each year. The increases to both are based on the Engineering News Record Construction Cost Index, a 20-city average, for April to April.

With Council's authorization to maintain the current Impact Fees in effect indefinitely, the Impact Fees, Infill Impact Fees, and Water and Wastewater Connection Fees will remain unchanged until otherwise modified by the City Council. For reference purposes, the scheduled increase would have been 2.34%.

With the formation of an Ad Hoc Development Impact Fee Committee (Ad Hoc Committee), potential topics for discussion include:

- Impact Fees
  - What do they cover?
  - Are all of the items still necessary?
- Infill Area
  - Re-evaluate the infill property definition and infill area boundary map
- City Design Standards
  - Attached versus detached sidewalks
  - Landscaping requirements
  - Right-of-way dedication requirements
- Infrastructure Needs and Costs
  - Ability of City to legally contribute funds toward infrastructure required for new development
  - Financing options
- Sutter County Impact Fees
  - Ability to reduce fee
- Yuba City Unified School District Fees
  - Ability to reduce fee
  - Payment options available to developers

The two Councilmembers designated to steer the Ad Hoc Committee will coordinate with staff to solicit Committee members, facilitate the meetings, identify necessary staff to participate in each meeting, and coordinate the preparation of a report with recommendations as applicable to the entire City Council.

**Fiscal Impact:**

It is anticipated that there will be significant staff support required for the Committee. Also, maintaining Impact Fees at their current level will result in less funds collected than if the 2.34% inflation factor had been applied.

**Alternatives:**

1. Increase the Development Impact Fees on January 1, 2020.
2. Reduce the Development Impact Fees.
3. Do not form the Committee.

**Recommendation:**

- A. Adopt a resolution authorizing that the current Development Impact Fees, including Water and Wastewater Connection Fees, remain in effect until otherwise modified by the City Council.
- B. Designate two Councilmembers to steer the Ad Hoc Development Impact Fee Committee to be formed for a period of not more than one year

**Attachments:**

- A. Resolution – Current Development Impact Fees remain in effect
- B. Resolution – Ad Hoc Development Impact Fee Committee

Prepared by:

*/s/ Diana Langley*

Diana Langley  
Public Works Director

Submitted by:

*/s/ Michael Rock*

Michael Rock  
City Manager

Reviewed by:

Finance

City Attorney

RB

SLC by email

# ATTACHMENT A

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY  
AUTHORIZING THAT THE CURRENT DEVELOPMENT IMPACT FEES INCLUDING WATER  
AND WASTEWATER CONNECTION FEES REMAIN IN EFFECT UNTIL OTHERWISE  
MODIFIED BY THE CITY COUNCIL**

WHEREAS, the City Council of Yuba City has adopted Ordinance No.1100 creating and establishing authority for imposing and charging a Development Impact Fee within the City;

WHEREAS, the City Council on June 18, 1990, adopted Resolution No. 90-118 establishing a Development Impact Fee within the City to finance those public facilities required by new development as identified in the Yuba City Urban Area General Plan and various studies and reports;

WHEREAS, the City, together with Sutter County, previously conducted and adopted a study to determine the development impact fees to finance the public facilities necessitated by new development. Said study was entitled AB 1600 Fee Justification Study, County of Sutter, City of Yuba City, dated August 18, 1995 (updated Feb. 2001) ("1995 Fee Study");

WHEREAS, the City Council of the City of Yuba City on February 4, 1997, adopted Resolution No. 97-011 establishing a Development Impact Fee within the City to finance those public facilities required by new development as identified in the Yuba City Urban Area General Plan ("Plan") and various studies and reports; and

WHEREAS, in 2001 the 1995 Fee Study was updated and on May 22, 2001 the City Council adopted Resolution No. 01-063 which established new development impact fees;

WHEREAS, in 2004 the 1995 Fee Study was updated and on August 17, 2004, the City Council adopted Resolution No. 04-129 which established new development impact fees;

WHEREAS, in 2007 the Fee Study was updated and on October 16, 2007 the City Council adopted Resolution 07-101 which established new development impact fees through the preparation of an AB 1600 study. Said study, entitled "Yuba City Update of the AB 1600 Fee Justification Study: dated October 10, 2007 ("Study") is on file with the City Clerk of the City of Yuba City; and

WHEREAS, the City Council on January 20, 2009, adopted Resolution No. 09-001 amending Resolution 04-129 establishing a Development Impact Fee for all developments within the City;

WHEREAS, as a result of the ongoing limited development environment, the City Council would like to maintain the existing Development Impact Fees, including Infill Development Impact Fees, Water Connection Fees, and Wastewater Connection Fees, at their current level indefinitely until otherwise modified by the City Council.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF YUBA CITY DOES RESOLVE AS FOLLOWS:

The existing Development Impact Fees in effect, including Infill Development Impact Fees, Water Connection Fees, and Wastewater Connection Fees shall remain at their current level indefinitely until otherwise modified by the City Council.

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 17<sup>th</sup> day of December, 2019.

AYES:

NOES:

ABSENT:

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Shon Harris, Mayor

ATTEST:

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Patricia Buckland, City Clerk

APPROVED AS TO FORM  
COUNSEL FOR YUBA CITY

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Shannon L. Chaffin, City Attorney  
Aleshire & Wynder, LLP

# ATTACHMENT B

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY  
ESTABLISHING AN AD HOC DEVELOPMENT IMPACT FEE COMMITTEE**

WHEREAS, the City Council of the City of Yuba City finds that a study and review Development Impact Fees should be conducted to determine the advisability of amending and updating such fees.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF YUBA CITY DOES RESOLVE AS FOLLOWS:

1. An Ad Hoc Development Impact Fee Committee is hereby created consisting of two Councilmembers, staff, and representatives from Yuba City Unified School District, Sutter County, and the builder/developer community, as needed.
2. The Ad Hoc Development Impact Fee Committee shall study and review Development Impact Fees and make written recommendations to the City Council as to amendments and/or updates. The Committee's review may include the following:
  - a. Necessity of the Development Impact Fees
  - b. Evaluation of the Infill Area including the infill property definition and infill area boundary map
  - c. Infrastructure needs and costs
  - d. Sutter County Impact Fees
  - e. Yuba City Unified School District Fees
3. The Ad Hoc Development Impact Fee Committee shall coordinate with staff to solicit Committee members, facilitate the meetings, identify necessary staff to participate in each meeting, and coordinate the preparation of a report with recommendations as applicable to the entire City Council.
4. The Ad Hoc Development Impact Fee Committee shall be formed for a period of not more than one year

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 17<sup>th</sup> day of December, 2019.

AYES:

NOES:

ABSENT:

ATTEST:

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Patricia Buckland, City Clerk

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Shon Harris, Mayor

APPROVED AS TO FORM  
COUNSEL FOR YUBA CITY

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Shannon L. Chaffin, City Attorney  
Aleshire & Wynder, LLP