

CITY OF YUBA CITY
STAFF REPORT

Date: July 6, 2021
To: Honorable Mayor & Members of the City Council
From: Public Works Department
Presentation by: Diana Langley, Public Works Director

Summary

Subject: Rescind Levee Impact Fee
Recommendation: Adopt a Resolution to rescind the City’s Levee Impact Fee, effective immediately
Fiscal Impact: The City will no longer collect a Levee Impact fee which will result in a reduction of development impact fees for new development.

Purpose:

To rescind the City’s Levee Impact Fee as Sutter Butte Flood Control Agency is the lead agency for levee improvements for the Sutter-Butte Basin.

Background:

The Sutter-Butte Basin (Basin) covers 300 square miles bordered by the Cherokee Canal to the north (near the Thermalito Afterbay), the Sutter Buttes to the west, the Sutter Bypass to the southwest, and the 44-mile long Feather River to the east. The Sutter Butte Flood Control Agency (SBFCA) is a joint powers agency formed in 2007 by the Counties of Butte and Sutter, the Cities of Biggs, Gridley, Live Oak, and Yuba City, and Levee Districts 1 and 9. SBFCA leads the planning and implementation efforts in the Basin to reduce the risk of catastrophic, riverine flooding.

In October 2007, the City Council adopted Resolution 07-101, adopting new Development Impact Fees that included a Levee Fee. The purpose of the Levee Fee is to fund levee improvements/capital costs attributable to new development to ensure that levees are adequately constructed/reinforced to protect new residential and non-residential development. The AB1600 study evaluated facilities required to serve the existing Sphere of Influence, estimated costs, allocated the cost to both existing and future development, and calculated the levee fees by land use. Table 1 provides the 2007 Levee Fee and current Levee Fee for each land use type. The fee is inflated annually based on the Engineering News Record Construction Cost Index.

Table 1: Levee Fee by Land Use Type

Land Use	2007 Levee Fee	2021 Levee Fee
Single-Family	\$2,874/unit	\$3,950.79/unit
Duplex to Fourplex	\$2,491/unit	\$3,424.37/unit
Five Units Plus or Apartment Uses	\$2,060/unit	\$2,831.88/unit
Mobile Home	\$1,715/unit	\$2,357.61/unit

Commercial	\$460/ksf	\$632.36/ksf
Office	\$657/ksf	\$903.18/ksf
Industrial	\$230/ksf	\$316.18/ksf

The Levee Fee applies to new development within the City as well as within the City's Sphere of Influence. Currently, the City has approximately \$2,150,000 available in Levee Impact Fees.

In addition to the City's Levee Fee, in June 2010, property owners within Sutter and Butte Counties approved an Assessment District to fund the local share of improvements to both the Feather River West Levee and the Sutter Bypass East Levee to provide properties within the Sutter-Butte Basin with "200-year" and "100-year" flood protection.

SBFCA is nearly complete with the Feather River West Levee Project which has been funded by State grants, Federal appropriations, and local matching funds from SBFCA's Assessment District. SBFCA is now turning to implement projects in the rural Southern portion of the Sutter-Butte Basin.

Analysis:

SBFCA has reviewed the City's Levee Fee and proposes to implement a Regional Levee Fee Program (Regional Fee) that would be reflective of the full scope of SBFCA's levee improvement program, designed to work in concert with SBFCA's current Assessment District, and collected throughout the Sutter Butte Basin. A Regional Fee would be comprehensive in nature and be eligible to fund repairs, rehabilitations, and improvements including those beyond what is able to be completed solely with funding from the Assessment District and State Grants to date.

SBFCA proposes to adopt the Regional Fee within the next few months and enter into collection agreements with all member agency land use jurisdictions that have the authority to collect development impact fees. It is anticipated that SBFCA's Regional Levee Fee will be significantly less than the City's Levee Impact Fee. With SBFCA's intent to implement a Regional Levee Fee Program that applies to new development throughout the Sutter-Butte Basin, staff recommends rescinding the City's Levee Impact Fee, effective immediately. It is not staff's recommendation to reimburse development that has already paid the fee, but rather apply this change on a go forward basis.

Fiscal Impact:

Rescinding the City's Levee Impact Fee and potentially replacing it with a reduced Regional Fee will reduce the overall development costs for new development. This aligns with the City's Council's focus to reduce overall development fees in order to encourage new development.

Alternatives:

Do not rescind the City's Levee Impact Fee. If Council decides to retain the City's Levee Impact Fee, a new AB1600 study should be prepared to support the fee as much has changed since 2007.

Recommendation:

Adopt a Resolution rescinding the City's Levee Impact Fee effective immediately.

Attachment:

1. Resolution

Prepared by:

/s/ Diana Langley

Diana Langley
Public Works Director

Reviewed by:

Finance

City Attorney

Submitted by:

/s/ Dave Vaughn

Dave Vaughn
City Manager

SM

SLC by email

ATTACHMENT 1

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
RESCINDING THE CITY'S LEVEE IMPACT FEE, EFFECTIVE IMMEDIATELY**

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, in 2007 a 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, including a Levee Impact fee; and

WHEREAS, in 2007, Sutter Butte Flood Control Agency (SBFCA), a joint powers agency, was formed by the Counties of Butte and Sutter, the Cities of Biggs, Gridley, Live Oak, and Yuba City, and Levee Districts 1 and 9; and

WHEREAS, SBFCA leads the planning and implementation efforts in the Sutter-Butte Basin to reduce the risk of catastrophic, riverine flooding; and

WHEREAS, in June 2010, property owners within Sutter and Butte Counties approved an Assessment District to fund the local share of improvements to both the Feather River West Levee and the Sutter Bypass East Levee to provide properties within the Sutter-Butte Basin with "200-year" and "100-year" flood protection; and

WHEREAS, SBFCA proposes to implement a Regional Levee Fee Program that would be reflective of the full scope of SBFCA's levee improvement program, designed to work in concert with SBFCA's current Assessment District; and

WHEREAS, with SBFCA's intent to implement a Regional Levee Fee Program there is no need for the City to continue to collect Levee Impact Fees.

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

1. The City Council hereby rescinds the Levee Impact Fee adopted as part of Resolution 07-101, and a City Levee Impact Fee will no longer be collected.
2. All other Development Impact Fees approved by Resolution 07-101 shall remain in effect.

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 6th day of July, 2021.

AYES:

NOES:

ABSENT:

Marc Boomgaarden, Mayor

ATTEST:

Ciara Wakefield, Deputy City Clerk

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY

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