



# CITY OF WHEATLAND

## CITY COUNCIL MEETING STAFF REPORT

August 23, 2022

**SUBJECT:** Consideration to amend the City's Master Fee Schedule to Include New Land Use Categories and Development Impact Fee Amounts Pursuant to the Adopted Development Impact Fee Updated Nexus Study.

**PREPARED BY:** Tim Raney, Community Development Director

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### Recommendation

Staff recommends that the Wheatland City Council hold a public hearing on the Development Impact Fee Amounts, and upon close of the public hearing, adopt the attached resolution amending the City's Master Fee Schedule to include new land use categories (Light Industrial and Agriculture Tourism) and establish the new impact fee amounts pursuant to the adopted Development Impact Fee Updated Nexus Study.

### Background

On August 13, 2019, the Wheatland City Council adopted a resolution and provided staff with direction to submit an application to the California Department of Housing and Community Development (HCD) for the SB 2 Planning Grants Program. The City of Wheatland was awarded \$160,000 of funding from the SB 2 Grant offered by HCD. Among other tasks, a portion of the SB 2 Grant was used for the City of Wheatland to update its development impact fees (DIF) pursuant to AB 1600. The purpose of the study is to update the City's DIF for future development within the City of Wheatland. The current fee study was adopted in 2007. The City of Wheatland's development potential has changed significantly since 2007 (e.g., the Johnson Rancho and Hop Farm Annexation Project).

On June 16, 2022, the administrative draft of the Nexus Fee Study Update was completed and made available to the public on the City of Wheatland's website. The Nexus Study was prepared in compliance with the regulations set forth in AB 1600, ensuring that a rational nexus exists between future development in the Fee Program Area and the use and need of the proposed facilities. The Nexus Study demonstrates a reasonable relationship exists between the amount of each impact and the cost of the facilities attributable to the type of development that will be required to pay the impact fee.

Two new land use categories have been added to the Fee Program as part of this Nexus Study. The Employment Use category remains, but it now applies only to land uses that are strictly office-related. Light Industrial land uses, which formerly were integrated into the larger Employment Use category, now comprise their own Light Industrial land use category. An Agriculture Tourism category is also introduced in this Nexus Study to account for the ag-related retail uses that are developing in the Bishop's Pumpkin Farm area.

Table 1 compares the City's current impact fees with the new fees. The proposed fees reflect fairly significant reductions for the residential, hotel, and other non-residential land uses, compared to the City's current fees.

**Table 1: Development Impact Fee Comparison**

Land Use Category		Current City Impact Fees	Proposed City Impact Fees	Percent Change
Single Family	per Dwelling Unit	\$44,512	\$38,811	-10.6%
Multi-Family	per Dwelling Unit	\$28,301	\$22,709	-19.8%
Mobile Home	per Dwelling Unit	\$26,149	\$22,748	-13.0%
Commercial Lodging	per Hotel Room	\$10,776	\$9,383	-12.9%
Retail Use	per Bldg. SF	\$16.99	\$16.21	-4.6%
Employment Use	per Bldg. SF	\$13.04	\$12.30	-5.7%
Light Industrial	per Bldg. SF	n/a	\$8.20	n/a
Ag Tourism	per Bldg. SF	n/a	\$4.18	n/a

On June 28, 2022, the Wheatland City Council voted to adopt the Development Impact Fee Updated Nexus Study.

**Discussion**

Pursuant to Section 3.26.030(A) of the Wheatland Municipal Code, the amount of the development impact fees may be adjusted from time to time by resolution of the Wheatland City Council. Therefore, city staff has prepared the attached resolution proposing to amend the City's Master Fee Schedule to include the new land use categories (Light Industrial and Agriculture Tourism) and establish the new impact fee amounts pursuant to the adopted Development Impact Fee Updated Nexus Study (see Attachment 1).

**Fiscal Impact**

The SB 2 Grant awarded from HCD to the City of Wheatland funded all cost associated with preparing the Development Impact Fee Updated Nexus Study, as well as, the adoption of the Study and the implementation of the new impact fees. The new impact fees identified in the adopted Updated Nexus Study will fund the necessary facilities to support future development within the City of Wheatland.

**Attachments**

1. City of Wheatland Resolution Amending the City's Master Fee Schedule
2. Adopted Development Impact Fee (DIF) Updated Nexus Study

**RESOLUTION NO. 30-22**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHEATLAND AMENDING THE CITY OF WHEATLAND MASTER FEE SCHEDULE SETTING THE RATE OF DEVELOPMENT IMPACT FEES PURSUANT TO THE ADOPTED DEVELOPMENT IMPACT FEE UPDATED NEXUS STUDY AND SECTION 3.26.030 OF THE WHEATLAND MUNICIPAL CODE**

**WHEREAS**, a municipality is authorized to establish reasonable fees for services rendered, provided that those fees do not exceed the estimated reasonable cost of providing the service for which the fee is charged (Government Code Sections 66000-66018.5); and,

**WHEREAS**, in addition to fees and charges identified in the City of Wheatland Municipal Code, the Wheatland City Council has adopted Ordinances 339, 384, 400, 448, Resolutions 10-93, 33-01, 38-03, 18-04, 39-04, 43-04, 28-05, 01-07, 07-07, 06-08, 21-09 06-10, 16-10, 15-12, 01-13, 04-19, 09-19, 10-19 and development agreements that establish fees for services rendered by the City for administration, planning, building, business license, code enforcement, public works, park and recreation, public safety, water, sewer, and development impact fees; and,

**WHEREAS**, it is necessary for the city to modify the previously adopted fees to ensure that fees charged are reasonably related to the estimated cost of providing the service; and

**WHEREAS**, on October 6, 2020 the City of Wheatland entered into a service agreement with Goodwin Consulting Group to study the level of development impact fees necessary to cover the capital costs of public facilities needed to serve anticipated development in the City of Wheatland pursuant Assembly Bill (AB) 1600; and,

**WHEREAS**, a report of Goodwin Consulting Group, entitled "Development Impact Fee (DIF) Updated Nexus Study" and dated June 15, 2022 ("Nexus Study"), documents the results of the Goodwin Consulting study; and,

**WHEREAS**, on June 28, 2022, the Wheatland City Council voted to adopt the Nexus Study; and,

**WHEREAS**, the adopted Nexus Study is on file in the office of the City Clerk, available for public inspection, and incorporated herein by reference; and,

**WHEREAS**, on July 26, 2022, the Wheatland City Council voted to introduce and waive the first reading of the ordinance amending Sections 3.26.030 of the Wheatland Municipal Code to expand the existing Development Impact Fee Program; and,

**WHEREAS**, on August 9, 2022, the Wheatland City Council voted to waive the second reading and adopt the ordinance amending Sections 3.26.030 of the Wheatland Municipal Code to expand the existing Development Impact Fee Program; and,

**WHEREAS**, Section 3.26.030 of the Wheatland Municipal Code authorizes the City Council, by resolution, to set the rates for Development Impact Fees listed in Section 3.26.030(A) of the Wheatland Municipal Code; and,

**WHEREAS**, the Wheatland City Council duly gave notice of public hearing as required by law; and

**WHEREAS**, on August 23, 2022, the Wheatland City Council duly held a public hearing on the matter, and received and considered evidence, both oral and documentary; and

**WHEREAS**, the Wheatland City Council now desires to set the rates for the Development Impact Fees.

**NOW, THEREFORE, BE IT RESOLVED** by the Wheatland City Council as follows:

1. The foregoing recitals are true and correct incorporated into this Resolution by this reference.

2. The adopted Nexus Study has been considered and the findings contained in the adopted Nexus Study have been adopted by the Wheatland City Council.

3. Each of the development impact fees ("Fees") listed in Exhibit "A" to this Resolution, attached hereto and incorporated herein by reference, shall be imposed at the rate set forth in "Exhibit A." Each Fee shall be administered as set forth in Chapter 3.26 of the Wheatland Municipal Code and in the Resolution.

4. The Fees shall not apply to any development project that meets both of the following conditions: (i) the development application for the project was deemed complete no later than August 23, 2022, and (ii) on or before November 22, 2022, the City and the developer of the development project have entered into a development agreement or other negotiated contract with the City for the project; provided however if the development project has not commenced construction in compliance with and prior to expiration or termination of the development agreement or other negotiated contract, then the Fees shall apply to the project.

5. Based on the adopted Nexus Study, the Wheatland City Council finds that:

- a. The purpose of the Fees is as set forth in the adopted Nexus Study.
- b. The Fees shall be used to fund Public Facilities as set forth in Section 3.26.030 of the Wheatland Municipal Code.
- c. For the reasons set forth in the adopted Nexus Study, there is a reasonable relationship between each Fee's use and the type of development project on which the Fee is imposed.
- d. For the reasons set forth in the adopted Nexus Study, there is a reasonable relationship between the need for the public facilities for which a Fee is imposed and the type of development project on which the fee is imposed.

6. Adoption of this Resolution is found to be categorically exempt from the California Environmental Quality Act because the adoption of this Resolution is not a project, in that it is a government funding mechanism which does not involve any commitment to any specific project (CEQA Guidelines Section 15378(b)(4)), and because it can be seen with certainty that there is no possibility that the fees may have a significant effect on the environments, in that this resolution contains no provisions modifying the physical design, development, or construction of residence or nonresidential structures CEQA Guidelines Section 15061(b)(3)).

7. This Resolution shall take effect on August 23, 2022.

**PASSED AND ADOPTED** by the Wheatland City Council on the 23<sup>rd</sup> day of August 2022  
by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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LISA THOMASON  
City Clerk

## Exhibit A

Fee Program Summary											
Land Use	Bridges, Signals, Thoroughfares	Sewer Collection	Water Distribution	Storm Drainage	Law Enforcement	Pool Facility	Parkland Facilities	General Government	Public Meeting Facilities	Administrative (2.0% of Fees)	Total DIF
<u>Per Dwelling Unit</u>											
Residential											
Single Family	\$10,536	\$4,102	\$5,428	\$9,576	\$1,177	\$646	\$4,819	\$1,939	\$807	\$781	\$39,811
Multi-Family	\$7,060	\$2,998	\$3,257	\$1,827	\$893	\$490	\$3,656	\$1,471	\$612	\$445	\$22,709
Mobil Home	\$5,479	\$2,998	\$4,343	\$3,654	\$731	\$401	\$2,991	\$1,204	\$501	\$446	\$22,748
<u>Per Hotel Unit</u>											
Non-Residential											
Commercial Lodging	\$4,215	\$1,578	\$2,172	\$914	\$121	n/a	n/a	\$199	n/a	\$184	\$9,383
<u>Per Building Square Foot</u>											
Retail Use	\$7.74	\$2.12	\$2.08	\$3.14	\$0.31	n/a	n/a	\$0.50	n/a	\$0.32	\$16.21
Employment Use	\$5.14	\$1.82	\$1.79	\$2.76	\$0.21	n/a	n/a	\$0.34	n/a	\$0.24	\$12.30
Light Industrial	\$2.83	\$1.04	\$0.90	\$2.90	\$0.14	n/a	n/a	\$0.23	n/a	\$0.16	\$8.20
AG Tourism	\$1.94	\$0.53	\$0.52	\$0.90	\$0.08	n/a	n/a	\$0.13	n/a	\$0.08	\$4.18

\*Excludes fire facilities and wastewater treatment.