



CITY OF WHEATLAND

CITY COUNCIL MEETING STAFF REPORT

September 8, 2020

SUBJECT: The City of Wheatland staff requests City Council provide direction to staff to begin preparing a draft Development Agreement Amendment for Caliterra Ranch.

PREPARED BY: Tim Raney, Community Development Director

Recommendation

The City of Wheatland staff requests City Council provide direction to staff to begin preparing a draft development agreement amendment to reduce the required Caliterra Ranch development impact fees by 50 percent for the first 145 single-family units.

Background

The Caliterra Ranch Project (formerly known as Jones Ranch) is an approximately 193-acre site consisting of 552 single-family residential units, located on the south side of Wheatland Road, between the existing High School and Ace Hardware. Oakley Lane bisects the property, which is agricultural in appearance, characterized by grasslands and open space. The project site is zoned Planned Development (PD) and designated for Low-Density Residential (LDR) and Commercial (C).

The previous City approvals for the Caliterra Ranch Project (formerly known as Jones Ranch) are listed below:

- 2002: The City approved the Jones Ranch program-level Environmental Impact Report.
- 2003: The City adopted the Jones Ranch Tax Sharing Agreement.
- 2003: The City approved the annexation of the approximately 193-acre Jones Ranch project site.
- 2005: The City approved the Jones Ranch project-level Mitigated Negative Declaration and the Jones Ranch Tentative Subdivision Map.
- 2006: The City recorded the Jones Ranch Development Agreement between the City of Wheatland and Lakemont Overland Crossing, LLC.
- 2006: The Yuba County Local Agency Formation Commission (LAFCo) approved the annexation into the City.

- 2007: The City approved an extension of the approved Jones Ranch Tentative Subdivision Map, which extended the life of the Tentative Subdivision Map for a ten-year period, matching the terms of the Development Agreement.
- 2008: The City approved the Amendment No.1 to the Jones Ranch Development Agreement between the City of Wheatland and Lakemont Overland Crossing, LLC.
- 2010: The City recorded the Second Amendment to the Jones Ranch Development Agreement between the City of Wheatland and RBC Real Estate Finance Inc.
- 2015: The City recorded the Third Amended and Restated Development Agreement between the City of Wheatland and the applicant, Dale Investments, LLC.
- 2015: The City determined the 2015 Jones Ranch Tentative Subdivision Map was in substantial compliance with the 2005 Jones Ranch Tentative Subdivision Map pursuant to Section 17.05.200 of the Wheatland Municipal Code.
- 2017: The City recorded Amendment No. 1 to the Third Amended and Restated Development Agreement between the City of Wheatland and the applicant, Dale Investments, LLC.
- 2017: The City determined the 2017 Caliterra Ranch Tentative Subdivision Map was in substantial compliance with the 2015 Jones Ranch Tentative Subdivision Map pursuant to Section 17.05.200 of the Wheatland Municipal Code.
- 2018: The City executed the Subdivision Improvement Agreement, accepted utility easement grant deeds, and approved the Village I Final Map and Improvement Plans.
- 2018: The City amended the Subdivision Improvement Agreement for the substitution of improvement security.
- 2019: The City further amended the Subdivision Improvement Agreement to extend the timelines provided in the Subdivision Improvement Agreement.

Discussion

City staff and the Caliterra Ranch applicant team have continued to work toward reducing the initial per unit development costs of the first phase of development of the project site. These efforts have been necessary for the project to be viable for sale to a homebuilder. The applicant team has identified an interested homebuilder for the site, but the sale requires a reduction in the City's development impact fee. Therefore, applicant is seeking a 50 percent development impact fee reduction of the first 145 single family lots. It should be noted that this requested reduction in fees would require an amendment to the current development agreement for the Caliterra Ranch Project.

City staff acknowledges that the reduction in fee is warranted due to the following reasons:

- The 2020 Wheatland Community and Economic Development Action Program includes program 1.b. which states:
 - Continue to work with development interests to reduce or defer, when possible, up-front costs that may hinder their investment in Wheatland.
- The City's development fee program is in the higher range of neighboring communities. The City's fees were last updated in 2007 and since their adoption have nearly doubled due to the annual increases provided in the fee program. City staff is currently seeking a qualified consultant to update the AB1600 impact fee study to address this issue.
- Residential subdivisions have not been developed in Wheatland in nearly 20 years. Therefore, the applicant has acknowledged that the home builders do not have sufficient current information on home pricing and demand in Wheatland. This adds risk to the homebuilders and requires a corresponding reduction in initial costs.

- The development of the project site will continue to be subject to the timing requirements outlined in the “Third Amended and Restated City of Wheatland Development Agreement Concerning Jones Ranch Subdivision” recorded on February 3, 2015. This states the Development Agreement will terminate on December 31, 2023. If prior to December 31, 2023, final subdivision maps have been recorded for 276 or more parcels of the Project, then the termination date of the Development Agreement will be extended to December 31, 2026.

The applicant will be in attendance to address any questions you may have about the request. City staff is requesting the city council provide direction to staff to begin preparing a draft development agreement amendment to provide a 50 percent reduction in development impact fees for the first 145 single-family units of the Caliterra Ranch Project. Amending the development agreement for Caliterra Ranch would require review and approval by both the Wheatland Planning Commission and City Council.

Fiscal Impact

Staff time to prepare the draft development agreement amendment and a 50 percent reduction in fees collected on 145 single-family residential units. Based on the current 2020 fee of \$39,690 per lot, after the discount, the City would collect \$19,845 per lot in impact fees. It should be noted that the fee will increase on January 1, 2021; therefore, the 50 percent fee reduction will be applied to the current fee at the time building permits are issued.

Attachments

None.