



City of Wheatland

111 C Street Street – Wheatland, California 95692
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PLANNING COMMISSION MEETING STAFF REPORT

Date: October 20, 2020
Agenda Item:

Subject: Consideration to recommend City Council approval of the proposed Amendment No. 2 to Third Amended and Restated City of Wheatland Development Agreement Concerning Jones Ranch Subdivision between the City of Wheatland and Dale Investments, LLC.

Prepared by: Tim Raney, Community Development Director

Recommendation

Staff requests that the Planning Commission adopt the attached resolution recommending the Wheatland City Council approve Amendment No. 2 to Third Amended and Restated City of Wheatland Development Agreement Concerning Jones Ranch Subdivision.

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.

On September 9, 2020, the City received a request to consider amending the Third Amended and Restated City of Wheatland Development Agreement Concerning Jones Ranch Subdivision to reduce the development impact fee by 50 percent for the first 145 residential units.

On September 22, 2020 the City of Wheatland City Council voted to give staff direction to begin preparing Amendment No. 2 to Third Amended and Restated City of Wheatland Development Agreement Concerning Jones Ranch Subdivision.

Discussion

City staff has been working with the applicant, Dale Investments, LLC, to revise the Jones Ranch Subdivision Development Agreement to reduce the development impact fees by 50 percent for the first 145 units, as well as the following deal points.

Specific Performance Standards:

- The Caliterra Ranch property owner would record the sale of the phase 1 site of 145 lots to a home builder by March 31, 2021.

- The home builder would enter into a new subdivision improvement agreement with the City of Wheatland and begin construction by September 30, 2021
- The subdivision improvements for the first phase 145 lots will be completed and accepted by the City by September 30, 2022.
- The home builder would receive approval and fund building permits for a minimum of 10 of the 145 units by December 31, 2022.

Increased Impact Fee Collection for Phase 1:

- The project applicant has agreed to deferring the \$10,000 per unit credit for the first phase of 145 units.
- The \$10,000 fee credit would begin with the 146th building permit and continue until extinguished at the 450th building permit (credits are available for 305 units).
- City would therefore collect 50 percent of the current impact fee at the time of the issuance of the building permit. The 2020 fee is \$39,690 and is subject to annual adjustments. This fee would continue to be increased each year by the published ENR rate.

Conclusion

Based on the information contained in the staff report, staff recommends that the Planning Commission adopt the attached resolution recommending City Council approval of the Amendment No. 2 to Third Amended and Restated City of Wheatland Development Agreement Concerning Jones Ranch Subdivision.

Attachment

1. Resolution No. 2020-** recommending approval of Amendment No. 2 to Third Amended and Restated City of Wheatland Development Agreement Concerning Jones Ranch Subdivision.

Exhibit 1: Proposed Amendment No. 2 to Third Amended and Restated City of Wheatland Development Agreement Concerning Jones Ranch Subdivision.

**PLANNING COMMISSION
RESOLUTION NO. 2020-****

**RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF WHEATLAND
RECOMMENDING CITY COUNCIL APPROVAL OF AMENDMENT NO. 2 TO THIRD
AMENDED AND RESTATED CITY OF WHEATLAND DEVELOPMENT AGREEMENT
CONCERNING JONES RANCH SUBDIVISION**

WHEREAS, on September 9, 2020, the City received a request to consider amending the Third Amended and Restated City of Wheatland Development Agreement Concerning Jones Ranch Subdivision to reduce the development impact fee by 50 percent for the first 145 residential units; and

WHEREAS, on September 22, 2020 the City of Wheatland City Council voted to give staff direction to begin preparing Amendment No. 2 to Third Amended and Restated City of Wheatland Development Agreement Concerning Jones Ranch Subdivision; and

WHEREAS, the City of Wheatland previously recorded a City of Wheatland Development Agreement Concerning Jones Ranch Subdivision on April 18, 2006; and

WHEREAS, the City of Wheatland previously recorded Amendment No. 1 to City of Wheatland Development Agreement Concerning Jones Ranch on September 11, 2008; and

WHEREAS, the City of Wheatland previously recorded Amendment No. 2 to City of Wheatland Development Agreement Concerning Jones Ranch Subdivision on November 24, 2010; and

WHEREAS, the City of Wheatland previously recorded the Third Amended and Restated City of Wheatland Development Agreement between the Applicant, Dale Investments, LLC on February 3, 2015; and

WHEREAS, the City of Wheatland previously recorded Amendment No. 1 to Third Amended and Restated City of Wheatland Development Agreement Concerning Jones Ranch Subdivision on September 13, 2017; and

WHEREAS, the City and Dale Investments, LLC have negotiated the Amendment No. 2 to Third Amended and Restated City of Wheatland Development Agreement Concerning Jones Ranch Subdivision attached as Exhibit 1 to this resolution; and

WHEREAS, the adoption of this Amendment No. 2 to Third Amended and Restated City of Wheatland Development Agreement Concerning Jones Ranch Subdivision will not adversely affect the comprehensive General Plan and it is consistent with the General Plan and carries out the purposes of the General Plan.

NOW THEREFORE, BE IT RESOLVED that in recommending approval to the City Council of the Amendment No. 2 to Third Amended and Restated City of Wheatland Development Agreement Concerning Jones Ranch Subdivision, the Planning Commission makes the following findings, which are based on its review and consideration of the entire record, including the recitals above and any oral or written testimony provided at the hearing:

1. There have been no substantial changes to the project through the Development Agreement. Therefore, the Jones Ranch program-level Environmental Impact Report and the Jones Ranch project-level Mitigated Negative Declaration are the appropriate environmental documents for the proposed project.
2. The Development Agreement is consistent with the General Plan, as it carries out the purposes of the General Plan and is consistent with the land use and development designation in such plans.

NOW THEREFORE BE IT FURTHER RESOLVED that the Planning Commission recommends the City Council approve the Amendment No. 2 to Third Amended and Restated City of Wheatland Development Agreement Concerning Jones Ranch Subdivision, in the form attached as Exhibit 1, subject to such changes as may be approved by the City Council.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was adopted by the Planning Commission of the City of Wheatland at a regular meeting thereof held on the 20th day of October 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

LISA THOMASON
City Clerk

EXHIBIT 1

**AMENDMENT NO. 2 TO THIRD AMENDED AND RESTATED CITY OF WHEATLAND
DEVELOPMENT AGREEMENT CONCERNING JONES RANCH SUBDIVISION**

Recording requested by, and when
recorded return to:

City of Wheatland
111 C Street
Wheatland, CA 95692

Exempt from recording fees (Government Code §§ 6103, 27383)

**AMENDMENT NO. 2 TO THIRD AMENDED AND RESTATED
CITY OF WHEATLAND DEVELOPMENT AGREEMENT
CONCERNING JONES RANCH SUBDIVISION**

This Amendment No. 2 to the Third Amended and Restated Development Agreement (the "Amendment") is made and entered into this _____, 2020 by and between the City of Wheatland, a general law city ("City"), and Dale Investments, LLC, a California limited liability company ("Developer") ("collectively the "Parties"), who agree as follows:

1. Recitals. This Amendment is made with reference to the following background recitals:

- 1.1. On November 25, 2014, the parties entered into the *Third Amended and Restated City of Wheatland Development Agreement Concerning Jones Ranch Subdivision* (the "Agreement"), a copy of which is on file in the City Clerk's office. The Agreement was recorded in the Yuba County Recorder's Office on February 3, 2015 as Document No. 2015-001148.
- 1.2. On June 30, 2017, the parties entered into an Amendment No. 1 to the Agreement, a copy of which is on file in the City Clerk's office. That amendment was recorded in the Yuba County Recorder's Office on December 14, 2017 as Document No. 2017-016375.
- 1.3. At Developer's request, City and Developer have agreed to amend the Agreement to impose express deadlines and obligations on Developer for an initial 145-lot phase of the Project as conditions for City's agreement to reduce development fees that will be imposed for that portion of the Project.

2. Amendment to Agreement. The Parties amend the Agreement as follows:

2.1. Section 2.7.4 added to the Agreement to read as follows:

2.7.4. Conditional Reduction of City Development Fees for Successor Developer and 145-Lot Phase 1 Development.

2.7.4.1. At Developer's request, City and Developer have agreed to conditionally reduce the amount of City Development Fees that would be paid

under this Agreement for an initial 145 lots (“Phase 1 Development”) subject to the conditions in section 2.7.4.2. City and Developer agree that the City Development Fees calculated and due under section 2.7.2.1 and paid per single family dwelling for no more than 145 lots in the Phase 1 Development shall be reduced by 50%, rounded to the nearest dollar. For example, given the City Development Fees for 2020 under section 2.7.2.1 would be \$39,690, as adjusted, Developer would be entitled to pay a reduced fee of \$19,845 under this section.

2.7.4.2. As consideration for City’s agreement to accept the reduced fees calculated under section 2.7.4.1 as satisfaction of the City Development Fees owed for the Phase 1 Development, Developer agrees to meet all the following conditions:

- (a) Developer shall execute the sale of the 145-lot Phase 1 Development to a successor developer (the “Successor Developer”) and record the sale deed no later than March 31, 2021;
- (b) Developer shall assign this Agreement as to the Phase 1 Development to Successor Developer, and Successor Developer shall assume Developer’s obligations under this Agreement, as amended, as to the Phase 1 Development, all in compliance with Agreement section 9.2, no later than March 31, 2021;
- (c) Successor Developer shall execute a new or amended Subdivision Improvement Agreement with City for the Phase 1 Development;
- (d) following execution of a new or amended Subdivision Improvement Agreement with City, Successor Developer shall begin construction on the Phase 1 Development subdivision improvements no later than September 30, 2021;
- (e) Successor Developer shall complete all subdivision improvements for the Phase 1 Development, and obtain City’s acceptance of these improvements, no later than September 30, 2022;
- (f) Successor Developer shall apply for and obtain from City no less than 10 building permits for the Phase 1 Development no later than December 31, 2022;
- (g) The City does not apply the \$10,000 credit per single family development under section 3.6.3 to its calculation of the City Development Fees owed for the Phase 1 Development; and,
- (h) Successor Developer is not in default under this Agreement.

2.7.4.3. City may, in its sole discretion, waive any of the conditions in section 2.7.4.2.

2.7.4.4. Should any of the conditions set forth in section 2.7.4.2 not be satisfied by Developer or Successor Developer or waived by City prior to the time that Successor Developer must pay any City Development Fee due under section 2.7.2.1, then Successor Developer shall not be entitled to pay the reduced City Development Fee calculated under section 2.7.4.1. Nothing in this section shall be construed to limit City's default rights and remedies in the event of a default by Developer or Successor Developer.

2.2. Wherever the Agreement refers to "\$32,100 (as adjusted by the ENR index)" or "\$32,100 (as adjusted)," the phrase is amended to read "\$39,690 (as adjusted by the ENR index under section 2.7.2.1)."

3. No Effect on Other Provisions. Except for the amendment in Section 2, the remaining provisions of the Agreement shall be unaffected and remain in full force and effect.

CITY OF WHEATLAND

DEVELOPER

By: _____
James Goodwin

By: _____
Sundeep S. Dale
Owner, Dale Investments, LLC